



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2018) 2260 final

- English language version of the French text which is authentic –

Brussels, 11 July 2018

TEXTE EN

MINUTES

**of the 2260th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 27 June 2018
(morning)**

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Single sitting: Wednesday 27 June 2018 (morning)

The sitting opened at 10.46 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Mr ANSIP	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	Items 1 to 8 (in part)
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr AVRAMOPOULOS	Member	
Mr MOSCOVICI	Member	Items 1 to 8 (in part)
Mr STYLIANIDES	Member	Items 1 to 7 (in part)
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	
Mr MOEDAS	Member	

Absent:

Ms MOGHERINI	High Representative / Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr MIMICA	Member
Mr ANDRIUKAITIS	Member
Ms THYSSEN	Member
Ms VESTAGER	Member
Sir Julian KING	Member
Ms GABRIEL	Member

(27 June 2018)

The following sat in to represent absent Members of the Commission:

Mr GRASSI	Chef de cabinet to Ms MOGHERINI	
Mr VAN KEMSEKE	Expert in Mr ŠEFČOVIČ's Office	
Ms ARNOULD	A member of Mr MIMICA's staff	
Mr VINČIŪNAS	Chef de cabinet to Mr ANDRIUKAITIS	Items 1 to 7 (in part)
Ms CHAZE	Deputy Chef de cabinet to Mr ANDRIUKAITIS	Items 7 (in part) to 9
Ms BERNAERTS	Chef de cabinet to Ms THYSSEN	
Ms JUUL-JØRGENSEN	Chef de cabinet to Ms VESTAGER	
Mr MORRISON	Chef de cabinet to Sir Julian KING	
Mr BUHR	Deputy Chef de cabinet to Ms GABRIEL	

The following also sat in:

Ms MARTÍNEZ ALBEROLA	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	
Ms AHRENKILDE HANSEN	Deputy Secretary-General	
Mr SZOSTAK	Deputy Chef de cabinet to the PRESIDENT	
Ms DEJMEK HACK	Adviser in the PRESIDENT's Office	Item 7 (in part)
Ms ARKI	PRESIDENT's Office	
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 1 to 7
Ms SCHMITT	Chef de cabinet to Mr AVRAMOPOULOS	Items 1 to 7 (in part)
Mr BRIENS	Chef de cabinet to Mr STYLIANIDES	Items 7 (in part) to 9
Mr SNELS	Secretariat-General	
Ms ANDREEVA	Commission Spokesperson's Service	

Secretary: Mr SELMAYR, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

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1. AGENDA

(OJ(2018) 2260/FINAL)

The Commission took note of that day's agenda.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2018) 2260)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 25 June 2018.

3. APPROVAL OF THE MINUTES OF THE 2257TH, 2258TH AND 2259TH MEETINGS OF THE COMMISSION (6, 12 AND 20 JUNE 2018)

The Commission held over approval of the minutes of its 2257th, 2258th and 2259th meetings for a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2018) 112 AND /2)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 22 June 2018 (RCC(2018) 112 and /2).

It paid particular attention to the following points.

4.1. HORIZONTAL ITEM

i) Inter-Institutional Working Group on agencies – Preparation of the meeting of 12 July 2018

The Commission approved the line set out in SPI(2018) 25.

4.2. LEGISLATIVE MATTERS

ii) Trilogues

(point 3.1 of the IRG record)

- European Electronic Communications Code (Directive – recast) – DEL CASTILLO VERA report – 2016/0288 (COD) / Establishment of the Body of European Regulators for Electronic Communications (Regulation) – TOŠENOVSKÝ report – 2016/0286 (COD)

The Commission approved the line set out in SI(2018) 362/2 and /3.

- Manufacture, placing on the market and use of medicated feed and repeal of Council Directive 90/167/EEC (Regulation) – AGUILERA GARCÍA report – 2014/0255 (COD)

The Commission approved the line set out in SI(2018) 372.

iii) European Parliament dossiers – July 2018 part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Integrated farm statistics and repealing Regulations (EC) 1166/2008 and (EU) 1337/2011 (Regulation) – ZOANĂ report – 2016/0389 (COD)

The Commission took note of SP(2018) 402, further to note SI(2018) 209, which it had already approved on 2 May 2018.

Special legislative procedure

- Amendment of Regulation (EU) 904/2010 as regards measures to strengthen administrative cooperation in the field of value-added tax (Council Regulation) – ZÍLE report – 2017/0248 (CNS)

The Commission approved the line set out in SP(2018) 407.

Non-legislative procedure

- Establishment of the European High Performance Computing Joint Undertaking (Council Regulation) – BALČYTIS report – 2018/0003 (NLE)

The Commission approved the line set out in SP(2018) 408.

iv) Council dossiers

(point 3.3 of the IRG record)

- European citizens' initiative (Regulation) – SCHÖPFLIN report – 2017/0220 (COD)

The Commission approved the line set out in SI(2018) 366.

- Amendment of Regulation (EC) 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges (Regulation) – 2018/0076 (COD)

The Commission approved the line set out in SI(2018) 371/2.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business

(SI(2018) 374)

The Commission took note of the information in SI(2018) 374 on the Council meetings between 28 June and 11 July 2018.

vi) Non-legislative dossiers

(point 4.1 of the IRG record)

- European External Action Service non-paper on attribution of malicious cyber activities in the context of the framework for a joint European Union diplomatic response to malicious cyber activities

The Commission approved the line set out in SI(2018) 363.

- Memorandum of Understanding on the Conservation of Migratory Sharks

The Commission approved the line set out in SI(2018) 367.

- Demarche of the European Union and its Member States to joining Brazil in support of the creation of a South Atlantic Whale Sanctuary

The Commission approved the line set out in SI(2018) 361.

vii) Latest developments in the Council

(point 4.4 of the IRG record)

- Draft Council Implementing Decision on the European Union Integrated Political Crisis Response (IPCR) Arrangements

The Commission approved the line set out in SI(2018) 329 and /3.

4.4. RELATIONS WITH PARLIAMENT

viii) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its May I and May II 2018 part-sessions

(point 5.6.3 of the IRG record)

The Commission approved document SP(2018) 414 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its May I and II 2018 part-sessions, for transmission to Parliament.

ix) Participation by Members of Parliament in international conferences

(point 5.7.1 of the IRG record)

- 11th session of the Conference of States Parties to the Convention on the Rights of Persons with Disabilities (CRPD) (New York, 12 to 14 June 2018)

The Commission agreed to the request to the PRESIDENT from Mr Antonio TAJANI, the President of the European Parliament, concerning the attendance of four Members of Parliament at the above-mentioned meeting, from 12 to 14 June 2018, as observers in the EU delegation, with a reminder about the procedure to be followed as set out in SP(2018) 409.

4.5. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

- x) **Reply from the European Commission to the Commission of Inquiry of the Chamber of Deputies of the Czech Republic about a request for access to documents from the State aid procedure which the European Commission carried out with regard to the privatisation of the Czech mining company OKD a.s.**

(point 6.1.3 of the IRG record)

The Commission approved the line set out in SNP(2018) 9, and authorised the Director-General of DG Competition to reply to the Czech Parliamentary Commission of Inquiry in accordance with the draft letter annexed thereto.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

INFRINGEMENTS – URGENT INDIVIDUAL CASE (SEC(2018) 355)

The Commission adopted the decision in SEC(2018) 355.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2018) 325 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 June 2018.

6.2. EMPOWERMENT

(SEC(2018) 327 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 June 2018.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2018) 328 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 18 and 22 June 2018 archived in Decide.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2018) 329 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 25 and 29 June 2018.

Commission implementing regulations concerning trade defence measures against China with regard to imports into the European Union of tartaric acid, oxalic acid and steel tubes and pipes

Ms MALMSTRÖM informed the College about three decisions aimed at imposing definitive antidumping duties on imports of tartaric acid, oxalic acid and steel tubes and pipes originating in China. The three related adoption procedures had been temporarily suspended so that the cases could be raised

at the Commission's weekly meeting (PE/2018/4253, PE/2018/4293 and PE/2018/4284 respectively).

Ms MALMSTRÖM explained that the antidumping investigations were quasi-judicial procedures based on the conditions set out in the relevant basic regulation. Antidumping measures were therefore adopted by the Commission following a comitology procedure, with each case being examined and voted on by the trade defence instruments committee, which comprises representatives of the Member States and meets once a month.

She pointed out that, even for subjects that are not particularly politically sensitive, the vote in the committee often does not result in an opinion being issued, but reflects the divergent interests of the Member States, in particular between producer countries and importing countries. She gave the example of the review launched by the Commission in April 2017 of the antidumping measures imposed on imports of tartaric acid from China in order to assess whether they were still necessary once they expired. In the case in question the study confirmed that the antidumping measures for tartaric acid should be extended since the Chinese authorities, producers and exporters did not cooperate with the Commission's inquiry.

She noted that there had been no discussion at the committee meeting on 14 June about tartaric acid and that a majority of 16 Member States either voted in favour of imposing definitive measures or abstained while 11 Member States that import this product voted against.

She stressed that in the absence of an opinion from the committee, it was up to the Commission to decide whether or not to adopt the act in question. With regard to trade defence, the decision to adopt measures must however be based primarily on the conclusions of the in-depth investigation carried out by the Commission. She clarified that, in the absence of a Commission decision, the antidumping measures in force for imports of this product from China would expire on 17 July. She added that if the Commission did not adopt the

implementing act to prolong these measures, it was leaving itself open to a judicial appeal that could be accompanied by requests for damages and interest from the industry, which as it happened consisted mainly of small and medium enterprises.

She added that she would continue to bring to the attention of the Commission cases that she considered sensitive and involving a certain political element. In this respect she mentioned the ongoing investigation into safeguard measures in the steel sector that would soon come to an end and could be justification for the Commission to adopt temporary measures from 18 July that would constitute the third strand of the Union's response to the increase in customs duties imposed by the American authorities on imports of steel and aluminium from the Union.

Lastly Ms MALMSTRÖM briefly mentioned the ongoing trade negotiations with Mercosur and the persistent disagreements to be resolved between its members. She said that the negotiations would continue in Brussels on 9 July and that concessions were expected from the Mercosur countries in order that the Member States of the Union might be able to accept an agreement.

She also mentioned the trade negotiations that had begun with Australia and New Zealand which, she stressed, were progressing satisfactorily.

In the course of the discussion that followed, the Commission discussed the following main points:

- the distribution of the Member States' votes in the committee on the three implementing regulations imposing definitive antidumping duties on imports from China:
 - of tartaric acid, with 56.37 % voting in favour (Bulgaria, Greece, Spain, France, Italy, Cyprus, Lithuania, Hungary, Malta, Austria, Poland, Portugal, Romania and Slovakia), 26.49 % voting against (Belgium, Czech Republic, Denmark, Estonia, Croatia, Latvia, the

Netherlands, Slovenia, Finland, Sweden and the United Kingdom) and two abstentions (Germany and Ireland);

- of oxalic acid, with 56.20 % voting in favour (Bulgaria, Greece, Spain, France, Italy, Lithuania, Hungary, Malta, Austria, Poland, Portugal, Romania and Slovakia), 25.54 % voting against (Belgium, Czech Republic, Estonia, Croatia, Cyprus, Latvia, the Netherlands, Slovenia, Finland, Sweden and the United Kingdom) and three abstentions (Denmark, Germany and Ireland);
- of steel tubes and pipes, with 61.02 % voting in favour (Bulgaria, Czech Republic, Greece, Spain, France, Croatia, Italy, Lithuania, Hungary, Malta, Austria, Poland, Portugal, Romania, Slovakia and Sweden), 5.94 % voting against (Denmark, Latvia, the Netherlands and Finland) and seven abstentions (Belgium, Germany, Estonia, Ireland, Cyprus, Slovenia and the United Kingdom);
- the need to adopt these measures in order to protect European industry and to illustrate the notion of a Europe that protected;
- the importance of some decisions that are subject to the comitology procedure, in particular with regard to trade defence, which does not justify the rather mechanical manner in which they are sometimes taken.

The PRESIDENT closed the discussion saying that he wished to raise the issue of trade defence measures and the procedure for adopting them with the Heads of State or Government in order to draw their attention to the extremely sensitive nature of some of these decisions and to the need to ensure that they offered informed support for the vote expressed by their representatives on the trade defence measures committee.

He also concluded that the written procedures discussed would be reopened and pursued until their expiry date thereby making it possible to adopt the implementing regulations in question.

The Commission took note of this information and agreed to pursue the three written procedures concerned (PE/2018/4253, PE/2018/4293 and PE/2018/4284) until their expiry on Thursday 28 June.

**6.5. GENERAL EMPOWERMENT RELATING TO THE ADOPTION OF DECISIONS TO SEND LETTERS OF FORMAL NOTICE UNDER ARTICLE 258 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION FOR FAILURE TO NOTIFY NATIONAL MEASURES TRANSPOSING A DIRECTIVE
(C(2018) 4058)**

The Commission adopted the decision in C(2018) 4058.

It decided to empower the Members of the Commission responsible for one of the areas involved to adopt, on behalf of the Commission and under its responsibility, decisions to send letters of formal notice under Article 258 of the Treaty on the Functioning of the European Union for failure to notify national measures transposing a directive, as set out in C(2018) 4058.

**7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2018) 330)**

**ADMINISTRATIVE MATTERS
(PERS(2018) 44)**

**7.1. DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION –
APPOINTMENT OF AD14 DIRECTOR
(PERS(2017) 92 TO /4)**

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Director of the ‘Social Affairs’ Directorate in DG Employment, Social Affairs and Inclusion (PERS(2017) 92 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 15 February and 12 April 2018 (PERS(2017) 92/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Ms THYSSEN and also Mr DOMBROVSKIS and Mr KATAINEN, the Commission decided to appoint Ms Katarina IVANKOVIĆ KNEŽEVIĆ to the post.

This decision would take effect on a date to be determined.

**7.2. DG EDUCATION, YOUTH, SPORT AND CULTURE – APPOINTMENT OF AD14 PRINCIPAL ADVISER
(PERS(2018) 40 TO /3)**

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Principal Adviser responsible for the international dimension of policies and programmes at DG Education, Youth, Sport and Culture (PERS(2018) 40).

The Commission took note of the opinions of the Consultative Committee on Appointments of 23 and 31 May 2018 (PERS(2018) 40/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr NAVRACSICS and also Mr ANSIP, Mr DOMBROVSKIS and Mr KATAINEN, the Commission decided to appoint Ms Irena ANDRASSY to the post.

This decision would take effect on a date to be determined.

**7.3. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF A TRANSFER IN THE INTEREST OF THE SERVICE TO FILL THE POST OF HEAD OF THE EU DELEGATION IN THE REPUBLIC OF THE CONGO AT GRADE AD9/14
(PERS(2018) 45)**

The Commission took note of the information in point 3 of PERS(2018) 44 and, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, decided to approve the proposal for the transfer in the interest of the service, under Article 95(2) of the Staff Regulations, of Mr Raul MATEUS PAULA to the post of Head of Delegation in the Republic of the Congo; this decision would serve as a basis for the competent authority of the European External Action Service (EEAS) to make the final transfer.

This decision would take effect immediately.

**7.4. SECRETARIAT-GENERAL / DG BUDGET / DG HUMAN RESOURCES AND SECURITY – OPENING OF A EUROPEAN UNION DELEGATION IN PANAMA
(SEC(2018) 338)**

The Commission took note of the information in point 4 of PERS(2018) 44 and, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr MIMICA, Ms MALMSTRÖM, Mr STYLIANIDES and Mr HAHN, and also Ms MOGHERINI, decided:

- to agree to the opening of a European Union delegation in Panama, based in Panama City;
- to take note of the financial statement in SEC(2018) 338 evaluating the budgetary impact of this measure, while underlining that its implementation would have to take into account existing budget constraints;

- to note that any decision connected with the above decision to open the delegation and relating to the adoption of the new organisation chart or the amendment of existing ones, and any decision to (re)deploy Commission resources, would have to be taken in accordance with the cooperation procedures agreed by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy and with internal Commission procedures.

These decisions would take effect immediately.

8. PREPARATIONS FOR THE EUROPEAN COUNCIL (BRUSSELS, 28 AND 29 JUNE 2018), THE EUROPEAN COUNCIL (ARTICLE 50) (BRUSSELS, 29 JUNE 2018), AND THE EURO SUMMIT (BRUSSELS, 29 JUNE 2018)

The PRESIDENT opened the discussion on preparations for the European Council meeting of 28 and 29 June, which would focus mainly on migration policy, security and defence, jobs, growth and competitiveness and innovation and digital, as well as on the negotiations concerning the United Kingdom's withdrawal from the Union, in an EU27 format (Article 50), and the future of the Economic and Monetary Union, within a Euro Summit (EU-27). He proposed discussing some of these topics in more detail.

On migration policy and the European Asylum System

The PRESIDENT suggested beginning with migration policy, which would take up much of the meeting.

By way of introduction, he shared the results of the informal working meeting on migration and asylum issues which he had called in Brussels the previous Sunday, 24 June, and which had been attended by 16 Heads of State or Government in preparation for the European Council meeting. He was broadly satisfied with how the informal meeting had gone and the consensus that appeared to have emerged between the leaders on a number of points concerning the internal and external

aspects of migration and asylum policy and control of the Union's external borders. These were (i) an agreement on the second tranche of funding for the Facility for Refugees in Turkey, with 2 billion euros from the EU budget and 1 billion euros from Member States; (ii) the contributions of the Member States to the Union's Trust Fund for Africa, for which he had recommended a minimum of 500 million euros; (iii) the quantification of needs to be met in terms of human and material resources for the European Border and Coast Guard Agency; and (iv) the global approach to the migration challenge, which would not focus solely on protecting the external borders.

Although the PRESIDENT admitted that much remained to be done, he stressed, as he had done the previous Sunday, that the Commission had been far from inactive over the past three years and that it had not waited for certain recently-elected governments to take office before presenting a raft of measures to help the Union deal with the migration crisis it had faced in 2015. Among the ambitious proposals it had made since 2015 under the European Agenda on Migration, five of the seven legislative initiatives relating to the reform of the Common Asylum System were ready to be adopted by the co-legislators.

The PRESIDENT also mentioned the issue of the introduction of reception centres for asylum seekers outside the Union, particularly in African countries. The different options for this measure had been raised at the informal working meeting the previous Sunday.

Mr AVRAMOPOULOS made a number of comments. He explained first of all that African countries were not prepared to take part in creating processing centres. He added that it would be wise, in any event, to consult the countries concerned about this issue. He raised the possibility of holding an informal summit with those countries.

More generally, he cautioned against the political risk which the issue of migration posed for the European project and which had seen its achievements called into question. For this reason, he called for the PRESIDENT to send a strong message to

the members of the European Council in order to draw their attention to this point at its meeting later that week.

As regards relations with African countries on the subject of migration, the PRESIDENT explained that it had been decided at the informal meeting held the previous Sunday that some Member States would consult their close partners in Africa to examine possibilities for taking in asylum seekers, on condition that refugees would subsequently be distributed throughout the Union. Contact had been initiated on this matter.

On the question of the relocation mechanism, he reminded the meeting that 97 % of those eligible for relocation had benefited from it. He backed the suggestion of proceeding one step at a time in order to encourage recalcitrant governments to join the collective effort of taking in refugees. Some of them, for example, were prepared to accept unaccompanied minors.

Mr TIMMERMANS reported on the General Affairs Council that had been held on Tuesday 26 June. At that meeting, the EU foreign ministers had expressed willingness to cooperate in a constructive spirit to seek common European solutions. However, he acknowledged that for certain governments, the issue was purely political, and they would not hesitate to give public opinion in their countries the impression that they had forced the EU to change the course of its migration policy, whereas, as had been highlighted, the Union had presented a large raft of measures since 2015.

Mr TIMMERMANS also emphasised the risk that internal borders could be permanently reinstated in the Schengen area.

In the course of the discussion that followed, the Commission raised the following main points:

- confirmation of the Commission's role in the migration situation, which was to uphold the principles of joint responsibility and solidarity and to present measures allowing the Union to meet its common challenges;

- Africa's development potential, to which the digital sector could contribute, and African expectations on this point; the contribution that economic development could make to addressing the root causes of migration, and the benefits that would be gained by both Africa and the Union;
- a question about the means of accelerating the implementation of the External Investment Plan;
- the need to move forward simultaneously with the protection of external borders, on which there was a consensus among EU Member States, and the issue of the secondary movements of asylum seekers, in order to ensure a balanced migration policy;
- the need to make a distinction between the assistance given by the Union to refugees in Turkey, which was temporary, and the aid granted under the partnership with Africa, which was a longer-term measure.

On Economic and Monetary Union

The PRESIDENT then asked Mr DOMBROVSKIS and Mr MOSCOVICI to report on the conclusions of the Eurogroup meeting of 21 June, in particular the proposals on Economic and Monetary Union, ahead of the Euro Summit on 29 June.

Mr MOSCOVICI began by saying that the College could be proud of the Eurogroup statement on Greece, which was of major importance. He then commented on the progress achieved regarding the common backstop to strengthen the credibility of the Single Resolution Fund, while stressing the differences that still needed to be reconciled, particularly as regards governance of the Fund. By contrast, despite several hours of discussion, it had not been possible to reach consensus on the budgetary instruments for stabilisation and convergence and any proposal for a euro-area budget had been rejected at this stage. He therefore felt that possible solutions should be explored ahead of the summit of euro-area Finance Ministers.

Mr DOMBROVSKIS explained that, as regards completion of the Banking Union,

the decision to establish a backstop to strengthen the Single Resolution Fund in the event of a banking crisis would finally be taken in December. On the question of the European Deposit Insurance Scheme, he noted that the wording used in the letter from the Eurogroup President remained vague, but confirmed that talks were continuing on drawing up a roadmap. Lastly, he stressed the need to defend the Community approach, including in relation to the European Stability Mechanism, and to continue work on budget proposals, while trying to reconcile the positions of the Member States.

During the ensuing discussion on Economic and Monetary Union, the Commission focused mainly on the possibilities of implementing a euro-area budget and the need to safeguard both the Commission's prerogatives and a Community approach to the European Stability Mechanism.

The PRESIDENT noted that the Franco-German Meseberg declaration, which had resulted from the meeting in which he had taken part with the German Chancellor and the French President, took up a number of Commission proposals. He recalled the proposals presented during his State of the Union speech in September 2017 and the stabilisation and convergence instruments included in the proposal for a Multiannual Financial Framework, noting that it was important to stick closely to these proposals. Although he shared the concerns of some who noted tendencies towards an intergovernmental approach, he nevertheless stressed the commitment undertaken at Meseberg to include the European Stability Mechanism in the Treaties in a second stage. He also noted that opening up the possibility of qualified-majority voting in the field of EU foreign policy, as proposed in the above-mentioned declaration, represented a major step in the right direction that the College had already announced in its proposal of September 2017.

On enlargement and the stabilisation and association process

The PRESIDENT then called on Mr HAHN to summarise the conclusions of the General Affairs Council on enlargement and the stabilisation and association process.

Mr HAHN highlighted the decision to prepare the way for opening accession negotiations with Albania and the former Yugoslav Republic of Macedonia in June 2019. As regards the latter, he felt that it was important to send out clear signals that there was still a credible European perspective, particularly ahead of the referendum that would be held in that country at the end of September on the agreement reached with Greece concerning the name 'Republic of North Macedonia'. He ended by indicating that the Commission's groundwork for opening negotiations with Albania and the former Yugoslav Republic of Macedonia would begin without delay.

On the rule of law in Poland

The PRESIDENT asked Mr TIMMERMANS to report, following the General Affairs Council of 26 June, on the procedure proposed by the Commission under Article 7(1) of the Treaty on European Union because of the adoption by Poland of measures that constituted a systemic threat to the rule of law there by undermining the independence of the Polish judiciary. He noted that Article 7 of the Treaty provided for the Council to grant a hearing to the Member State concerned.

In accordance with the decision taken by the Permanent Representatives Committee (COREPER) on 13 June, Mr TIMMERMANS gave an account of the hearing of the Polish authorities that had taken place at the General Affairs Council meeting on 26 June.

He noted that the Member States had not been convinced by the replies of the Polish authorities and had not supported their wish to have the Commission excluded from the procedure. He himself had stressed the Commission's willingness to pursue dialogue with Poland, together with the Council, in order to arrive at satisfactory solutions.

On the specific question of the Polish law that could well lead to 40 % of the country's Supreme Court judges being retired automatically, Mr TIMMERMANS said that the hearing had not served to resolve his concerns regarding the systemic

threat this law posed to the rule of law in Poland. Among the judges concerned was the First President of the Polish Supreme Court; her automatic retirement on the entry into force of the disputed law on 3 July would infringe a provision in the Polish Constitution setting the First President's term of office at six years.

Given the seriousness of the situation, Mr TIMMERMANS suggested that infringement proceedings be brought against Poland for failing to fulfil its obligations under the EU Treaties because of the possibility that the term of office of Polish Supreme Court judges would be ended prematurely.

In order to take account of the discussions that would take place at the European Council on 28 and 29 June, and bearing in mind that the College would not meet again before the disputed law entered into force, the PRESIDENT proposed that it grant Mr TIMMERMANS an empowerment to start this infringement proceeding after the European Council.

The Commission decided to empower Mr TIMMERMANS to adopt, in agreement with the PRESIDENT, a decision to open infringement proceedings by sending the Polish authorities a letter of formal notice, with one month to reply, under Article 258 of the Treaty on the Functioning of the European Union, on account of the provisions of the law on the Supreme Court regarding the lowering of the retirement age of judges at the Supreme Court and the arrangements for renewal of their term of office by the President of the Republic. These provisions were contrary to the second subparagraph of Article 19(1) of the Treaty on European Union read in conjunction with Article 47 of the Charter of Fundamental Rights of the European Union.

The Commission took note of this information.

9. OTHER BUSINESS

9.1. TRADE

Mr KATAINEN briefed the College on the main results of the seventh annual High-Level Economic and Trade Dialogue between the European Union and China, which had taken place in Beijing on 25 June.

He had co-chaired this event with the Chinese Vice-Premier of the State Council, and the discussions had covered a range of strategic issues linked to harnessing globalisation. Topics included global economic governance, support for the multilateral trading system, questions of trade and investment – notably negotiations on an investment agreement and on geographical indications – as well as the digital economy, climate and environmental cooperation, and connectivity.

The two parties agreed to exchange market access offers at the forthcoming EU-China Summit in order to give political impetus to an ambitious Comprehensive Agreement on Investment, in terms of both liberalisation and protection of investment.

He noted too that the European Union and China expressed support for the rules-based multilateral trading system, with the World Trade Organisation (WTO) at its centre. They had also agreed to set up a working group to cooperate specifically on reform to help the WTO meet new challenges and to further develop rules in key areas essential for ensuring a global level playing field, such as industrial subsidies.

The Commission took note of this information.

9.2. VISIT TO IRAN

Mr AVRAMOPOULOS gave a brief account of his visit to Iran on 25 June. He reported that he had used the occasion to reiterate the European Union's desire to fully implement the Joint Comprehensive Plan of Action on Iran's nuclear programme and had stressed Europe's efforts to mitigate the impact of the American sanctions on European firms investing legitimately in Iran.

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The Plan of Action provided for developing cooperation in areas of common interest, and with this in mind he had launched a constructive dialogue with the Iranian authorities on the issues of migration.

The Commission took note of this information.

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The meeting closed at 12.09.