

# EUROPEAN PUBLIC POLICY

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## 2015: A New Agenda for Europe

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Every year, the European Commission (the **Commission**) adopts a plan of action for the next 12 months. The Work Programme for 2015 is the first one to be presented by the Juncker Commission. It translates into concrete actions the Political Guidelines articulated by President Juncker during the election. It marks a change from the past: it presents a limited number of new proposals, a list of previous initiatives which they propose to withdraw, and a list of existing legislation to be reviewed to see if they are still fit for their purpose. The overriding priority is indeed to boost employment, growth and investment in Europe. In addition to this, the focus is on action in a number of key issues, each one of them requiring intensive policy and legislative action. It includes: an *investment plan for Europe*, a *digital single market package*, a *capital markets union*, measures to address *tax evasion and tax fraud*, a *free trade agreement with the U.S.* and a *European energy union*.

It can therefore be expected that Brussels more than ever will display its power to regulate and influence industry conditions in a large number of areas, directly affecting the way in which companies do business in Europe. Whether your organization is a Brussels veteran or still has to explore its opportunities in the capital of Europe, the start of a new Commission's mandate may be the right time to evaluate or re-evaluate your Brussels strategy, analyse the EU agenda for the coming years and understand its potential impact.

Combining the best experience and knowledge on both policy and law, K&L Gates will closely monitor this Work Program and other EU initiatives at the service of our clients: capturing upcoming risks and opportunities, interacting convincingly with other stakeholders and, when feasible, having a say in the shaping of policy and legislative acts. Our **Global Government Solutions®** strategy will remain based on these four key elements:

**“Intelligence”**

**“Advocacy”**

**“Regulation”**

**“Market Access Strategies”**

Below we discuss the key issues outlined in The Work Programme for 2015.

### The Juncker Investment Plan

In a bid to unlock public and private investments in the economy of at least € 315 billion over 2015–2017, the Commission is launching an unprecedented investment plan. This Plan will seek over the course of 2015 to channel finance towards the digital and energy sectors, transport infrastructure, small and medium-sized enterprise (**SME**) funding and research and development. Additional investment will target infrastructure, notably broadband and energy networks, as well as transport infrastructure in industrial centres; education, research and innovation; and renewable energy and energy efficiency. A Task Force has been set up by the Commission and the European Investment Bank (**EIB**), together with the member states, to screen potential projects. Later on, the work should

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be stepped up at the EU level to identify and activate key investment projects, as well as inform investors of projects' progress on a regular basis. Member states, including regional authorities and National Promotional Banks, European institutions and private investors will be able to contribute to the pipeline by presenting or sponsoring projects. This does not mean that every project in the European pipeline should—or will—be financed in the context of the Plan, but the pipeline will offer visibility about investment potential and transparency about the selection criteria.

### Digital Single Market

The Commission wants to achieve in the digital environment what its predecessors achieved in 1992 when a fully integrated single market was created. This is not an easy task, and with this policy goal as an umbrella, several initiatives are being envisaged. A new digital single market legislative package seeking to improve cross-border access to digital services and create a level playing field for companies will be launched in 2015. The Commission will also seek to complement the regulatory telecommunications environment, modernise EU legislation on copyright and audio-visual media services, simplify the rules for consumers making online purchases, and enhance cyber-security. This ambitious agenda includes concluding the long-running negotiations over data protection reform.

### Financial Regulation and the Capital Markets Union

Besides other ongoing reforms, and as part of its shift in focus to boosting financial investment in Europe, the Commission has set out an action plan to build a capital markets union in 2019 that will seek to unify as much as possible the EU's fragmented financial markets, diversify financing sources, improve access to finance for SMEs and strengthen cross-border capital flows. In 2015, this will materialize in a) a "Green Paper" setting out several short-term initiatives for coming months, such as making credit information on smaller companies more easily available for investors to see; b) a second paper outlining proposals to encourage high-quality securitization of debt based on pooled loans, making it easier for banks to free up their balance sheets for more lending, the document said; c) a third paper will look at how EU rules on prospectuses published by companies to solicit funds will be reviewed to make it easier for smaller companies to raise capital on markets; and d) an "action plan" will be published in the second or third quarter of this year. The Commission will also continue to develop its financial stability framework through a proposal on crisis management and resolution of systemic non-banking entities. Published in the second or third quarter of this year.

### Taxation

While recognising that taxation is and remains a competence of member states, the Commission will step up its efforts to address concerns about tax evasion and tax fraud. Based on work already done at G20 and at OECD (base erosion and profit shifting project), the Commission will set out an action plan that seeks to extend the practice of country-by-country reporting, and revive the Common Consolidated Corporate Tax Base proposal. The Commission will also make a proposal on the automatic exchange of information between tax authorities on cross-border tax rulings. Companies operating across the EU have a particular interest in keeping an eye open.

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### Transatlantic Trade and Investment Partnership

The Commission will continue to work towards a successful outcome in the negotiations of an agreement the U.S. on trade and investments (**TTIP**). In response to the increasing debate surrounding these negotiations, the Commission is making efforts to increase the transparency of the negotiations. As the chapter-by-chapter, sector-by-sector negotiations evolve, talks may become more difficult, and deserve a closer monitoring from all industries affected by them. The EC is adopting a firm negotiating stance on provisions related to health, social, environmental and data protection standards.

### Energy Union

Europe relies too heavily on fuel and gas imports, and needs to reduce this dependency while keeping its energy market open to countries outside the EU. This is labelled as a strategy towards building an Energy Union. Pooling resources, connecting networks and uniting Europe's power when negotiating with non-EU countries; diversifying energy sources—so Europe can quickly switch to other supply channels if the financial or political cost of importing from the East becomes too high; and helping EU countries become less dependent on energy imports. Such are the ambitious goals. A strategic framework is to be presented by the Commission, fixing priorities and announcing policy priorities to achieve these objectives: ensuring energy supply security, reducing dependence on imports from third countries, integrating national energy markets, enhancing energy efficiency, decarbonising the energy mix, and promoting research and innovation.

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