

Brussels, 2 December 2024
(OR. en)

16008/24
PV CONS 59
AG 182

DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION
(General Affairs)
19 November 2024

1. Adoption of the agenda

The Council adopted the agenda set out in document 15634/24.

2. Approval of "A" items

a) Non-legislative list 15639/24

The Council adopted all "A" items listed in the document above, including all linguistic COR and REV documents presented for adoption. Statements to these items are set out in the Addendum to this document.


b) **Legislative list** (Public deliberation in accordance with Article 16(8) of the Treaty on European Union) 15641/24

Legislative deliberations

Economic and Financial Affairs

1. EMIR Review Regulation


Adoption of the legislative act

 15043/24 + ADD 1
PE-CONS 41/24
EF

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (legal basis: Article 114 TFEU). A statement to this item is set out in the Annex.

2. EMIR Review Directive


Adoption of the legislative act

 15050/24
PE-CONS 42/24 +
EF

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (legal basis: Article 53(1) TFEU).


3. Regulation on environmental, social and governance (ESG) ratings

Adoption of the legislative act


 15029/24
PE-CONS 43/24
EF

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union (legal basis: Article 114 TFEU).

Internal Market and Industry

4. **Regulation on prohibiting products made with forced labour on the Union market**  15058/24 + ADD 1
PE-CONS 67/24
MI
Adoption of the legislative act

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union, with Latvia and Hungary abstaining (legal basis: Article 114 TFEU). Statements to this item are set out in the Annex.

5. **Regulation on the discontinuation of the European ODR Platform**  15113/24
14152/24 + ADD 1
CONSOM
Adoption of the Council's position at first reading and of the statement of the Council's reasons

The Council approved its position at first reading, in accordance with Article 294(5) of the Treaty on the Functioning of the European Union, and the statement of the Council's reasons (legal basis: Article 114 TFEU).

Environment

6. **Regulation establishing a Union certification framework for carbon removals**  15263/1/24 REV 1
PE-CONS 92/24
CLIMA
Adoption of the legislative act

The Council approved the European Parliament's position at first reading and the proposed act has been adopted pursuant to Article 294(4) of the Treaty on the Functioning of the European Union, with Italy voting against (legal basis: Article 192(1) TFEU).

Non-legislative activities

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|----|---|----------|
| 3. | Preparation of the European Council on 19-20 December 2024:
Annotated Draft Agenda
<i>Exchange of views</i> | 14800/24 |
| 4. | Annual rule of law dialogue: country-specific discussion
<i>Exchange of views</i> | 12104/24 |
| 5. | Values of the Union in Hungary/Article 7(1) TEU reasoned
proposal
<i>State of play</i> | |
| 6. | Any other business | |

Statements to the legislative "A" items set out in doc. 15641/24**Ad "A" item 1: EMIR Review Regulation**
*Adoption of the legislative act***STATEMENT BY CZECHIA**

“The Czech Republic has welcomed the initiative to make the EU clearing market more attractive and we are very glad that all co-legislators have agreed to include the exemption from clearing obligation for OTC derivatives resulting from post-trade risk reduction services. This will substantially alleviate the unnecessary liquidity burden for EU clients and clearing members, improve proper risk management of derivative portfolios, and thus make the EU capital market generally more competitive with other non-EU jurisdictions.

On the other hand, as we believe in market-driven solutions, we have been concerned about the active account requirement from the very beginning of the EMIR negotiations. At the same time, despite our concerns, we have been always trying to be as much constructive as possible and willing to accept an operational active account requirement as long as it is not overly burdensome for the smallest market participants. Unfortunately, it seems that the latest compromise might have the most burdensome and costly impact just on those entities.

In our view, smaller financial and non-financial market participants will suffer not only from the requirement to open active account itself, but also from substantial compliance cost. It introduces new types of reporting and calculation of several new thresholds. Moreover, the requirements are hard to interpret and are not fully coherent. We have doubts that this approach will increase OTC derivatives trading and clearing in the EU.”

Ad "A" item 4: Regulation on prohibiting products made with forced labour on the Union market
*Adoption of the legislative act***STATEMENT BY HUNGARY**

„Hungary recognises and promotes equality between men and women in accordance with the Fundamental Law of Hungary and the primary law, principles and values of the European Union, as well as commitments and principles stemming from international law. Equality between women and men is enshrined in the Treaties of the European Union as a fundamental value. In line with these and its national legislation, Hungary interprets gender as providing equal chances and opportunities for women and men. In line with these and its national legislation, Hungary interprets the concept of ‘gender’ as reference to ‘sex’ and the concept of ‘gender-disaggregated data’ as ‘data collection on the basis of biological sex’ in the Proposal for a regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market since in Hungary, data collection is possible only on the basis of biological sex.”

STATEMENT BY THE COMMISSION

“The European Commission notes that the final agreement reached by the co-legislators on the Regulation on prohibiting products made with forced labour on the Union market has evolved significantly in terms of the staff and resources required for its implementation by the Commission, compared to the legislative financial statement which accompanied the original proposal (COM(2022) 453 final of 14.09.2022), which was based on a decentralised model of implementation combined with support for implementation at EU level.

The Commission recalls that, for the current MFF, the Commission is operating under the principle of stable staffing imposed by the budgetary authority, and – given the wide array of additional tasks that have been conferred upon the Union since the beginning of the MFF - it is already under severe constraints, making it difficult to cover even the existing tasks’ needs. There is no margin to finance additional officials or external staff. Therefore, any additional tasks conferred by the co-legislators upon the Commission shall be accompanied by corresponding resource reinforcements ensuring their effective implementation.

In light of the above, the additional Commission human resources required by the final agreement endorsed by the co-legislators will not allow the Commission to respect the principle of stable staffing.

This will require additional establishment plan posts and corresponding appropriations, to be authorised by the European Parliament and the Council during the annual budget procedure along with the related budgetary appropriations.

Furthermore, the Commission will also propose, in the framework of the annual budgetary procedure, the creation of additional budget lines under the Single Market Programme, the Customs Programme or both, financed from the Programme’s available appropriations, in so far as allowed under the respective legal bases, as identified in the updated Legislative Financial Statement provided by the Commission, which will also be used to finance the Commission’s implementation of the Regulation beyond the limit of the principle of stable staffing. These new budget lines will cover the cost of contractual agents and other administrative expenditures of the Commission in implementing the Regulation, to be authorised by the European Parliament and the Council during the annual budget procedure.”

STATEMENT BY LATVIA

“Latvia welcomes the main objective of the Regulation to lay down rules prohibiting economic operators from placing and making available on the Union market or exporting from the Union market products made with forced labour with a view to improving the functioning of the internal market, while contributing to the fight against forced labour.

At the same time, in Latvia's view, due to certain elements within the Regulation, a significant administrative burden is still placed on the shoulders of the Member States’ competent authorities without a detailed analysis of the practical implementation of the Regulation. In Latvia's opinion, for the implementation and enforcement of the Regulation, it is necessary to choose such solutions that essentially reduce the administrative burden and costs, while simultaneously allowing to effectively achieve the main objective of the Regulation.

Latvia prefers a solution where the Commission makes all decisions, thus promoting legal certainty and a unified approach within the Regulation. By choosing this solution, the administrative burden imposed on the Member State competent authorities and the consumption of resources will be related only to sending the necessary information.

The timeline provided for in Article 5 (3), during which Member States inform the Commission and other Member States about the designated competent authorities and their areas of competence is disproportionately short. It will be necessary to develop a new regulatory framework within it, as well as to choose a competent authority or to create a new institution for the implementation of the Regulation. Therefore, a 24-month timeline for the designation of the competent authority with 18-months for the publication of the guidelines would have better fit the purpose.

Provision in Article 10 that stipulates that the competent authorities shall designate contact points to provide information and assistance to SMEs has no clear added value and combined with the provision for the Member States to ensure that the Union Network Against Forced Labour Products has the necessary resources to carry out tasks assigned to it, including sufficient budgetary resources, it will impose significant additional administrative burden and costs for the Member states.

We regret that the interconnection between the ICSMS (Information and Communication System for Market Surveillance) and the EU Single Window Environment for Customs shall be established at the latest within 4 years from the date of adoption of the implementing act (Article 7 (5)). In Latvia's view, this interconnection should be established simultaneously with the application of the Regulation and not after it, otherwise the tasks assigned to the customs services should be attached at the time of creation of an interconnection or an appropriate transition solution should be provided.

We also express regret that within the framework of the Regulation, the allocation of the investigations based on the existence of the Union's interests was not preserved, as this solution contributed to a wider involvement of the Commission in the implementation of the Regulation.

With that Latvia abstains from the vote on the adoption of the Regulation.”