



6.7.2017

## MISSION REPORT

following the visit of the Committee on Legal Affairs to Reykjavik, Iceland, on  
22-24 May 2017

Committee on Legal Affairs

Members of the mission:

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## Introduction

The mission of the Committee on Legal Affairs to Reykjavik took place on 22-24 May 2017. It was mainly focused on civil justice and more particularly on the measures taken after the collapse of the banking system in 2008 and the subsequent changes in the judicial system. The mission also comprised specific meetings including one on better law-making.

The objective of the visit was to learn from Icelandic counterparts and stakeholders in the legal community about the major changes that have occurred since the crisis in 2008, with a special emphasis on the area of justice.

The delegation focused on the functioning and organisation of the Icelandic judicial and penal system and the latest developments in the context of the crisis. Participants had the opportunity to engage in discussions with political leaders and legal experts as well as with representatives of the civil society on the measures adopted in this regard and on other topics of common interest.

The programme of the visit foresaw meetings with the highest representatives of Iceland in the political and judicial powers. The delegation had the opportunity to exchange views with the President of the Republic of Iceland. Members also met the President of the Supreme Court and representatives of the two standing committees in *Althingi* (Iceland's Parliament) responsible for matters for which the Committee on Legal Affairs is competent.

In addition, specific discussions also took place with legal experts and representatives of the civil society. Two roundtable discussions were organised giving participants the opportunity to share experience on constitutional issues and on better law-making. This was completed by other meetings with two legal experts on the current reform of the court system and other matters related to procedural law.

## Summary account of meetings

The visit in Reykjavik started with a **meeting at the Presidential Residence with Mr Guðni Th. Jóhannesson, President of Iceland**. President Jóhannesson underlined the important geopolitical role Iceland was playing and regretted that not so many delegations from the European Parliament travelled to Iceland. He said that Iceland needed cooperation with international institutions. President Jóhannesson was keen on exchanging views on Brexit with the delegation. He expressed his wish to keep good relationship with the EU and said that Iceland did not want to influence the development of the negotiations but asked for consideration in the process. He then referred to the support given by Iceland to the EU policy regarding sanctions imposed on Russia and underlined that Iceland's fishery sector was suffering the consequences. The agreement on catch limitation and the need for international cooperation were mentioned. During the discussion, participants exchanged views on a wide range of topics, including the situation in prisons, terrorism and migration.

**At the EU Delegation in Reykjavik, the JURI delegation was briefed on current issues by Ambassador Matthias Brinkmann**. Ambassador Brinkmann recalled the functioning of the EEA system and the implementation of EEA agreement and provided historical background elements on Iceland's international relations. Members of the delegation were briefed on various topics, including Iceland's political situation, international relations and economic development. The origin of the financial crisis in Iceland, Brexit and the EU accession negotiations were also discussed.

**The Parliament representatives then visited the Ministry of Justice** where they had an

**informative presentation on the Icelandic court system and the current reform.** Since 1919, a two tier system has prevailed, with eight district courts (first level courts) and a Supreme Court (last resort). Iceland is currently in the process of changing the system into a three tiers system with the setting up of a new court of appeal to be established on 1st January 2018. Members learnt about Iceland's civil law system and were informed that there is no specialisation of courts in Iceland. Icelandic district courts have therefore competence to decide on both civil and criminal cases, except the largest district court (Reykjavik) which is divided into different specialised chambers. Following the presentation, Members had an exchange of views with the Ministry officials on the appointment and specialisation of judges and on the independence of justice. Matters of the practice of law and policy for prisons were also raised.

On Tuesday 23 May, the delegation met with **Mr Þorgeir Örlygsson, President of the Supreme Court.** Following a comprehensive presentation of the Supreme Court's role, competence and organisation, Members held an exchange of views with Mr Örlygsson on the practical consequences of the reform of the judiciary. Issues touched upon the organisation and daily operation of justice in Iceland and the control of constitutionality for which the Supreme Court is competent. Members were also particularly interested to learn about the work of justice in the collapse of the Icelandic banking system case. Members asked questions about procedural aspects, cooperation between judges and lawyers, independence of justice and judicial cooperation with EU partners.

**In Althingi, the Icelandic parliament,** Members were received by Ms Áslaug Arna Sigurbjörnsdóttir, Chairwoman of the **Judicial Affairs and Education Committee** and Mr Jón Steindór Valdimarsson, 1st Deputy Chairman of the **Constitutional and Supervisory Committee.** Three other Members of *Althingi* participated in the meeting. Following a presentation of the role and competence of the two standing committees, Members were informed of the investigations led by Althingi on the 2008 financial crisis and exchanged views on "Panama papers" with their counterparts. Participants also heard about the revision process of the Icelandic constitution and exchanged views on direct democracy. The debate focused on the differing views of political parties on the manner in which the revision of the constitution should be conducted. The relationship between UK and Iceland was also addressed and the importance of the Brexit negotiations for Iceland was underlined. Members also exchanged views with the Icelandic parliamentarians on the involvement of national parliaments in the preparation of EU legislation.

In the afternoon, the delegation participated in a **roundtable discussion on constitutional changes** organised in the EU Delegation and chaired by the EU Ambassador to Iceland, Matthias Brinkmann. The committee representatives met actors of the civil society, politicians and experts who were involved in the constitutional revision process that took place after the financial crisis protests. Members held an exchange of views with Mr Páll Þórhallsson, Director General at the Prime Minister's Office and former Chair of the cross-party Constitutional Committee (the committee established to develop proposals for constitutional reform), Ms Salvör Nordal, academia and former Chair of the Constitutional Council (made of 25 members appointed by parliament to propose a draft constitution to be submitted to referendum), Ms Birgitta Jónsdóttir, cofounder of the pirate party in Iceland and parliamentarian and Ms Katrín Oddsdóttir, Chair of the Constitutional Society (founded in 2010 to support the drafting of a new Constitution by Icelandic citizens). After a presentation which gave the Members a good understanding of the revision process based on the participation of citizens, the debate focused on direct democracy. Members learnt that three referenda took place between 2009 and 2013, a draft constitution was approved by a majority

of voters, but the new constitution was eventually not enacted by Parliament. The Icelandic counterparts were interested in how the European Parliament exercises its powers, including towards the Commission. This gave the JURI delegation the opportunity to explain the division of powers between the EU institutions and the role of the co-legislators and to underline the increasing role of Parliament.

The mission participants then met **Ms Ingibjörg Þorsteinsdóttir, a judge and Deputy Chair of the Icelandic Judges' Association** for an exchange of views on the reform of the Icelandic court system. Participants noticed the interest to have a real court of appeal where evidence can be tested with experts. Other issues that were touched upon dealt with the control of constitutionality, the lack of specialisation of judges, judicial cooperation, training of judges, and independence of judges.

On Wednesday 24 May, a **roundtable discussion was organised on better law making**. The Members had a very interesting exchange of views with Mr Páll Þórhallsson, Director General at the Prime Minister's Office (Department of Legislative Affairs), Mr Ólafur Þ. Stephensen, Secretary General of the Icelandic Federation of Trade, Ms Hildur Eva Sigurðardóttir, Director at the Committee Department of the Icelandic Parliament and Ms Jóhanna Bryndís Bjarnadóttir, Counsellor at the Directorate for Legal and Executive Affairs in the Ministry of Foreign Affairs. Speakers made presentations and commented on the Prime Minister's Office's work to enhance legislative quality and on the new procedures, working methods and practices that *Althingi* had looked into since the elections in 2016. Matters of public consultations, of the development of ex post impact assessment and of the involvement of national parliaments in the consultation process were discussed. Mention of the high transposition deficit of EU law in Iceland was made and part of the discussion focused on increasing Iceland's involvement in the EU legislative process at an earlier stage.

The last meeting of the mission was with **Mr Sigurður Tómas Magnússon**, professor at the Reykjavik University School of Law and Chair of the Committee on Iceland's Judicial System/Legal Procedures (key Committee advising the Ministry on issues related to judicial system and legal procedures). Given Mr Magnússon's past experience as a legal advisor to the Special Prosecutor of the bank collapse, the debate focused on the 2008 crisis and the way Iceland handled it from a judicial and procedural point of view. Mr Magnússon explained the role and functioning of the prosecution system and the outcome of the work carried out by the Special Prosecutor Office in the crisis resolution. The reform of the judicial system and the role of the parliament ombudsman were also mentioned.

## Conclusions

The visit to Reykjavik and the meetings with a wide range of interlocutors gave the Members participating in the delegation the opportunity to better understand the Icelandic justice system and the changes that have occurred in this area since the crisis of the banking system in 2008.

The Committee took note of the geopolitical role Iceland is playing in regard to the EU and of its willingness to continue to pursue its good and privileged relationship with the EU.

The roundtable on "Better law making" was very fruitful and of particular interest for all the participants. It could lead to further exchanges of information and good practices.