

Newsletter 27- 28 November 2023

Coming up in the next committee meetings:

ECON meeting, 27 November 2023, 15.00 - 18.00
and
28 November 2023, 09.00 - 11.00 and 14.30 - 17.30

Room: ANTALL (4Q1)

The meeting will be webstreamed:
[See live broadcast](#)

Monday, 27 November 2023

15.00 - 17.00

Monetary Dialogue with Christine Lagarde, President of the European Central Bank)

On Monday 27 November 2023, from 15:00 to 17:00, ECON Members will hold their fourth and last Monetary Dialogue of the year with the ECB President.

This Monetary Dialogue will take place in a still challenging environment, which is marked by uncertainty. After 10 consecutive rate hikes, the ECB Governing Council left interest rates unchanged in its most recent meeting. Since the latest Monetary Dialogue in September, headline inflation in the euro area declined markedly to 2.9% in October, down from 4.3% in September. This is the lowest level since July 2021. At the same time, after being high and persistent - standing at around 5.5% since April - core inflation is also showing a downward trend, estimated at 4.2%. The two specific topics of discussion as chosen by ECON for this Dialogue are: 1) Comparative analysis of monetary policy and inflation dynamics in the euro area and the United States and 2) Climate change considerations in monetary policy implementation.



- [Briefing - Euro area monetary policy: Quarterly overview, November 2023](#)
- [Link to the Monetary Dialogue papers](#)

17.00 - 18.00

State Aid: EU's reaction to the US Inflation Reduction Act (IRA)

Following the adoption of a US Inflation Reduction Act (US IRA) the ECON committee has been holding a number of exchanges on the impact on Europe's economy and competitiveness, in particular with a view to the implications on European State aid rules and policy.

Following the first exchanges with Margrethe Vestager, Commissioner Paolo Gentiloni and Valdis Dombrovskis, Executive Vice-President for An Economy that Works for People, a concluding exchange of views will be organised on Monday 27 November, 17:00 - 18:00, with Thierry Breton, Commissioner for the Internal Market. The expected allocation of a large amount of public funds in the form of State aid is likely to have a significant economic impact on the internal market and Member States' budgets. Coordination of the different EU funding instruments as well as keeping up private investment to achieve the transition targets of the Green Deal Industrial Plan are important aspects to be discussed. Moreover, as the US inflation Reduction Act also has a worldwide impact, maintaining a competitive position for the European Union at global level and ensuring fair play in the transition process might be among the matters discussed with Commissioner Breton.



- [First exchange with Executive Vice-President Margrethe Vestager \(Webstreaming, 17:00 - 18:00\)](#)
- [Second exchange with Commissioner Paolo Gentiloni \(Webstreaming, 16:30 - 17:30\)](#)
- [Third exchange with Executive Vice-President Valdis Dombrovskis \(Webstreaming, 09:00 - 10:30\)](#)
- [Briefing - EU's response to the US Inflation Reduction Act \(IRA\)](#)

Tuesday, 28 November 2023

09.00 - 10.00

Amending Directive 2014/59/EU as regards early intervention measures, conditions for resolution and financing of resolution action and

Amending Regulation (EU) No 806/2014 as regards early intervention measures, conditions for resolution and funding of resolution action and

Amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

POSTPONED

10.00 - 10.30

Proposal for a Regulation on Payment services in the internal market and amending Regulation (EU) No 1093/2010 ('PSR')

and

Proposal for a Directive on Payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC ('PSD3')

Consideration of draft reports



This is the committee's first discussion of the European Commission's two latest payments proposals, the 3rd Payment Services Directive (PSD3) and the Payment Services Regulation (PSR). The proposals aim to further improve consumer protection and competition in electronic payments, and represent a significant overhaul of the Union's payments legislation, with many provisions of the existing PSD2 proposed to be put in a Regulation in order to ensure more consistent harmonisation

and implementation across the Union. The package also puts forward measures which combat and mitigate payment fraud, improve consumer rights, further level the playing field between banks and non-banks, and improve the functioning of open banking and the availability of cash in shops and via ATMs.

The Rapporteurs for each proposal will present their draft reports which were published on 13 November. The Rapporteur for the PSR, Marek BELKA (S&D, PL) focussed on transparency and information (notably on currency exchange) and on ensuring better protection for consumers against fraud. The Rapporteur for PSD3, Ondřej KOVÁŘÍK (Renew, CZ) focussed on access to cash for consumers across the Union, on strengthening the requirements for banks to justify any refusal to open (or decision to close) accounts for other payment services providers, and on reducing requirements on existing payment institutions to seek new authorisation under the new regime.

Rapporteur: Marek BELKA (S&D) (*Shadow on PSD3*),
Ondřej KOVÁŘÍK (Renew) (*Shadow on PSR*)

Shadows: Lídia PEREIRA (EPP), Claude GRUFFAT (Greens/EFA), Eugen JURZYCA (ECR)

10.30 - 11.00

Amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support

First exchange of views

On 17 October 2023, the Commission adopted the proposal for a Regulation amending the Regulations establishing the European Supervisory Authorities (ESAs) and the InvestEU Regulation in order to streamline reporting obligations and reduce administrative burdens. In the financial services sector, the proposal aims to facilitate the exchange of information between authorities overseeing the financial sector (the ESAs). The proposal for the exchange of

information between the ESAs aims to avoid duplicative reporting requests. In the policy areas of competitiveness, growth, employment, innovation, social resilience, cohesion and strategic investments, the proposal aims to rationalise the requirements for reporting on implementation of the InvestEU Programme, by changing the reporting frequency from biannual to annual.

Rapporteur: Othmar KARAS (EPP)

Shadows: Alfred SANT (S&D), Denis NESCI (ECR)

14.30 - 16.30

Public Hearing on the Digital Euro

On Tuesday 28 November 2023, from 14:30 to 16:30, the ECON Committee will hold a public hearing on the Digital Euro. This public hearing is taking place in light of the legislative proposal on the establishment of a digital euro put forward by the European Commission on 28 June 2023 as part of the Single Currency Package, which also includes a proposal on the legal tender of euro cash.



The discussions will aim to look at the different design options and implications of the digital euro project. In particular, the discussions will focus on assessing the risks and benefits from various perspectives, for instance privacy, resilience of payment systems, financial stability and implications for the banking sector. The hearing will be also a good opportunity to draw comparisons to other Central Bank Digital Currency (CBDC) projects that are being carried out.

➤ [More information](#)

ECON VOTE: 28 November 2023, 16.30 – 17.30



The ECON Committee will vote on the following files:

Amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds

Vote on the provisional agreement resulting from interinstitutional negotiations

Rapporteur: Isabel BENJUMEA BENJUMEA (EPP)

Shadows: Paul TANG (S&D), Billy KELLEHER (Renew), Mikuláš PEKSA (Greens/EFA), Eugen JURZYCA (ECR), Gunnar BECK (ID), José GUSMÃO (The Left)

Amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets

Adoption of draft report

Vote on the decision to enter into interinstitutional negotiations

Rapporteur: Danuta Maria HÜBNER (EPP)

Shadows: Aurore LALUCQ (S&D), Erik POULSEN (Renew), Claude GRUFFAT (Greens/EFA), Dorien ROOKMAKER (ECR), José GUSMÃO (The Left)

Amending Directives 2009/65/EU, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk towards central counterparties and the counterparty risk on centrally cleared derivative transactions

Adoption of draft report

Vote on the decision to enter into interinstitutional negotiations

Rapporteur: Danuta Maria HÜBNER (EPP)

Shadows: Aurore LALUCQ (S&D), Erik POULSEN (Renew), Claude GRUFFAT (Greens/EFA), Dorien ROOKMAKER (ECR), José GUSMÃO (The Left)

Amending Regulation (EC) No 223/2009 on European statistics

Adoption of draft report

Vote on the decision to enter into interinstitutional negotiations

Rapporteur: Johan VAN OVERTVELDT (ECR)

Shadows: Markus FERBER (EPP), Eero HEINÄLUOMA (S&D), Martin HLAVÁČEK (Renew)

Laying down rules on a debt-equity bias reduction allowance and on limiting the deductibility of interest for corporate income tax purposes

Adoption of draft report

Rapporteur: Luděk NIEDERMAYER (EPP)

Shadows: Evelyn REGNER (S&D), Gilles BOYER (Renew), Claude Gruffat (Greens/EFA), Michiel HOOGEVEEN (ECR), Gunnar BECK (ID), José GUSMÃO (The Left)

Harmonising certain aspects of insolvency law

Adoption of draft opinion

Lead committee: JURI

Rapporteur: René REPASI (S&D)

Shadows: Frances FITZGERALD (EPP), Georgios KYRTSOS (Renew), Denis NESCI (ECR), Chris MACMANUS (The Left)

European Central Bank – annual report 2023

Adoption of draft report

Rapporteur: Johan VAN OVERTVELDT (ECR)

Shadows: Sven SIMON (EPP), Pedro SILVA PEREIRA (S&D), Engin EROGLU (Renew), Bas EICKHOUT (Greens/EFA), José GUSMÃO (The Left)

Banking Union – annual report 2023

Adoption of draft report

Rapporteur: Ivars IJABS (Renew)

Shadows: Frances FITZGERALD (EPP), Aurore LALUCQ (S&D), Philippe LAMBERTS (Greens/EFA), Bogdan RZONCA (ECR)

End of vote

Draft agenda

- ECON: Draft Agenda 27-28 November 2023



Recent briefings by the Economic Governance Support Unit (EGOV)

External expertise:

- [The Inflation Episode Similarities and differences in the euro area and the United States](#)
Charles WYPLOSZ
- [Inflation dynamics and monetary policy in the euro area and the US](#)
Manuela MOSCHELLA, Davide ROMELLI
- [Inflation and monetary policy across the Atlantic: A comparison](#)
Luigi BONATTI, Andrea FRACASSO, Roberto TAMBORINI
- [Are inflation dynamics different in the euro area and the United States?](#)
Christophe BLOT François GEEROLF
- [Comparing Fed and ECB monetary policies](#)
Karl WHELAN
- [Climate Change and Monetary Policy: Risks, instruments, & chances](#)
Sonja DOBKOWITZ, Pia HÜTTL, Alexander KRIWOLUZKY, Jana WITTICH
- [Shades of Green Monetary Policy - Would a green tilt help?](#)
Daniel GROS, Farzaneh SHAMSAKHOR
- [Low-carbon allocation in the implementation of monetary policy](#)
Dirk SCHOENMAKER
- [Climate Change and Monetary Policy in the Euro Area](#)
Joscha BECKMANN, Klaus-Jürgen GERN, Nils JANNSEN, Nils SONNENBERG

At a glance:

- [Climate change considerations in monetary policy implementation](#)
- [Comparative analysis of monetary policy and inflation dynamics in the euro area and the United States](#)

Recent Study commissioned by the Policy Department

- [Post-trade services and financial stability Assessing prospects for post-Brexit market infrastructure in the EU](#)

Next committee meetings

Monday 4 December 2023, 15:00-18:30

ECON is responsible for:

- the economic and monetary policies of the Union, the functioning of Economic and Monetary Union and the European monetary and financial system (including relations with the relevant institutions or organisations);
- the free movement of capital and payments (cross-border payments, single payment area, balance of payments, capital movements and borrowing and lending policy, control of movements of capital originating in third countries, measures to encourage the export of the Union's capital);
- the international monetary and financial system (including relations with financial and monetary institutions and organisations);
- rules on competition and State or public aid;
- tax provisions;
- the regulation and supervision of financial services, institutions and markets including financial reporting, auditing, accounting rules, corporate governance and other company law matters specifically concerning financial services;
- the relevant financial activities of the European Investment Bank as part of European economic governance in the euro area.

ECON is assisted by a subcommittee on tax matters (FISC), for tax-related matters and particularly the fight against tax fraud, tax evasion and tax avoidance, as well as financial transparency for taxation purposes.

Contact



Secretariat:

econ-secretariat@europarl.europa.eu

Webpage:

<https://www.europarl.europa.eu/committees/en/econ/home/highlights>

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