

Newsletter 22 - 23 January 2024

Coming up in the next committee meetings:

ECON meeting, 22 January 2024, 16.45 – 18.30

and

23 January 2024, 09.15 - 11.15

Room: SPAAK (1A002)

The meeting will be webstreamed:

[See live broadcast](#)

Monday, 22 January 2024

16.45 - 17.10

Establishing a Head Office Tax system for micro, small and medium sized enterprises, and amending Directive 2011/16/EU

Consideration of amendments



The Commission's proposal centers on creating a tax framework to support the internal market, with a specific focus on Small and Medium Enterprises (SMEs). The Head Office Tax System for SMEs is designed to simplify tax procedures and reduce compliance costs for SMEs operating across borders through permanent establishments. Under this

system, SMEs interact with only one tax administration - their Head Office's. This simplification eliminates the need to comply with multiple tax systems, offering increased tax certainty and fairness. SMEs file a single tax return with their head office tax administration, which then distributes tax revenues to each Member State where the SME has a permanent establishment. This approach reduces complexities and costs associated with multiple tax systems and administrations. The Member State of the head office applies tax rates based on the Member State(s) where the SME maintains permanent establishments. Members will discuss the 172 amendments tabled. Eligibility requirements, duration of the regime and the extension of the scope to subsidiaries will be among the topics under discussion.

Rapporteur: Lídia PEREIRA (EPP)

Shadows: Aurore LALUCQ (S&D), Martin HLAVÁČEK (Renew),
Claude GRUFFAT (Greens/EFA), Andželika Anna MOŽDŽANOWSKA (ECR)

17.10 - 17.30

Transfer pricing

Consideration of amendments

This proposal is part of a package known as ‘Business in Europe: Framework for Income Taxation’, or ‘BEFIT’. This package includes, in addition to this transfer pricing proposal, a second separate proposal which lays down a common set of rules for computing the tax base of large groups of companies in the EU.

The Organisation for Economic Cooperation and Development (OECD) set up the current international standards on cross-border transactions between related entities of a multinational group. These cross-border transactions must be priced on the same basis as transactions between third parties under comparable circumstances. This is known as “arm’s length principle” and is reflected in Article 9 (Associated Enterprises) of the OECD Model Tax Convention on Income and on Capital.



The aim of this proposal on transfer pricing is to integrate key transfer pricing principles into EU law with the aim of putting forward certain common approaches for Member States.

208 amendments have been tabled. A shadows’ meeting to discuss the set of five compromises took place on 16 January 2024. This first meeting allowed Rapporteur and Shadows to clarify some specific points and to explain some positions. It was also decided to ask the Commission to detail the background of Article 6 of the Commission proposal and to explain the computation of the threshold used on associated enterprise.

A second meeting is scheduled on 29 January 2024.

Rapporteur: Kira Marie PETER-HANSEN (Greens/EFA)

Shadows: Anna-Michelle ASIMAKOPOULOU (EPP), René REPASI (S&D),
Gilles BOYER (Renew), Andželika Anna MOŽDŽANOWSKA (ECR),
José GUSMÃO (The Left)

17.30 - 18.30

Economic Dialogue and exchange of views with Vincent Van Peteghem, ECOFIN President and Belgian Deputy Prime Minister and Minister of Finance

On Monday, 22 January, from 17.30 to 18.30, ECON Members will hold an Economic Dialogue and exchange of views with Vincent Van Peteghem, Deputy Prime Minister and Minister of Finance, in his capacity of President of the ECOFIN Council during the Belgian Presidency (January to June 2024).

The ECOFIN President is expected to provide an overview of the priorities of the Belgian Presidency in the area of economic governance, financial services and taxation. He will also answer the questions of ECON Members.



- [Briefing: Economic Dialogue with the President of the ECOFIN](#)

Tuesday, 23 January 2024

09.15 - 10.00

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 amendments



This is the committee's second 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. They 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 draft reports of the Rapporteurs were published on 13 November 2023. Members submitted in total 569 amendments to the PSR and 145 amendments to the PSD3. Those amendments were published on 4 December 2023 and focus, among other things, on transparency and information (including on currency exchange and ATM charges); consumer rights and burden of proof; IBAN checks; data protection; spending limits; aspects of the liability for impersonation fraud and for unauthorised payment transactions; access to cash for consumers across the Union; and the re-authorisation process under the new regime.

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

Shadows: Lidia PEREIRA (EPP), Claude GRUFFAT (Greens/EFA),
Eugen JURZYCA (ECR), Gunnar BECK (ID),
Chris MACMANUS (The Left)

10.00 - 10.45

Scrutiny of delegated acts and implementing measures

Exchange of views on the draft delegated act (RTS) amending the Delegated Regulation (EU) 2022/1288 of 6 April 2022 under the Sustainable Finance Disclosures Regulation (SFDR)



On 23 January, from 10.00 to 10.45, the ECON Committee will hold an exchange of views on the revision of the Regulatory Technical Standards (RTSs) for the Sustainable Finance Disclosure Regulation (SFDR).

Representatives of the European Commission, the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) will discuss with ECON Members the main aspects that are going to be reviewed within the SFDR Delegated Regulation, including the disclosures of principal adverse impacts (PAI) of investment decisions on sustainability factors and the introduction of the disclosure of financial products' decarbonisation targets.

- [Final Report on draft RTSs on the review of PAI and financial product disclosures in the SFDR Delegated Regulation](#)
- [SFDR Delegated Regulation](#)

10.45 - 11.00

Proposal for a Union Act, under Rule 47(2) of the Rules of Procedure, on the need to protect families, businesses and self-employed persons from the rise in fuel prices in Europe

On Tuesday 23 January 2024, from 10.45 to 11.00, MEP Buxadé Villalba will present a proposal for a Union act on the need to protect families, businesses and self-employed persons from the rise in fuel prices in Europe, on behalf of its authors: Jorge Buxadé Villalba, Mazaly Aguilar, Hermann Tertsch and Margarita de la Pisa.

This proposal was announced in plenary on 20 November 2023 under Rule 47(2) of the Rules of Procedure and referred to the ECON Committee, as the committee responsible for its

subject matter. In line with the provisions of Rule 47(2), the ECON Coordinators have invited the authors of this proposal to present it during the ECON meeting on 23 January 2024.

In line with the EP Rules of Procedure, and after the presentation of the proposal, the ECON Committee shall take a decision on further action.

ECON VOTE: 23 January 2024, 11.00 – 11.15



The ECON Committee will vote on the following file:

Faster and Safer Relief of Excess Withholding Taxes
Adoption of draft report

Rapporteur: Herbert DORFMANN (EPP)

Shadows: Niels FUGLSANG (S&D), Martin HLAVÁČEK (Renew),
Rasmus ANDRESEN (Greens/EFA), Andželika Anna MOŽDŽANOWSKA (ECR),
José GUSMÃO (The Left)

End of vote

Draft agenda

- [ECON: Draft Agenda 22-23 January 2024](#)



Next committee meetings

Monday 29 January 2024, 15:00 - 18:30

Tuesday 30 January 2024, 8:30 - 20:15, European Parliament and Council joint public hearing for hosting the seat of the Anti-Money Laundering Authority (AMLA)

Monday 5 February 2024, 19:00 - 21:00 - BUDG-ECON

Wednesday 14 February 2024, 09:00 - 12:30 & 14:30 - 18:30

Thursday 15 February 2024, 09:00 - 12:30

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](mailto:secretariat@europarl.europa.eu)

Webpage:

[https://www.europarl.europa.eu/
committees/en/econ/home/highli
ghts](https://www.europarl.europa.eu/committees/en/econ/home/highlights)

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