



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Economic and Monetary Affairs

2013/2127(INI)

28.11.2013

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Employment and Social Affairs

on the financial participation of employees in companies' proceeds
(2013/2127(INI))

Rapporteur (*): Fabrizio Bertot

(*) Associated committee – Rule 50 of the Rules of Procedure

PA_NonLeg

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Believes that, in order to promote financial participation for the purpose of creating a new form of company financing and enabling employees to be more connected to the company that employs them, employers should be given the opportunity to offer employees share capital subscriptions or specific debt securities (bonds); takes the view that the capital subscriptions should be voluntary for the employees, acting either as individuals or as a group, as well as for the company;
2. Is of the view that Employee Financial Participation (EFP) can also be a form of bonus for the employee, through capital participation or specific bonds issued as a type of deferred compensation, depending on the financial product used and the type of company in question;
3. Stresses that further transparency is needed in national employee ownership schemes and especially in calculating the effective tax burden across the EU-28 in order to prevent double taxation and discrimination;
4. Points out the differences between the Member States as regards compulsory social security contributions on income for financial participation;
5. Notes also that tax differences in employee ownership schemes constitute barriers to workers' mobility and free movement of capital;
6. Reiterates in this regard the need to guarantee the mutual recognition of employee ownership schemes as a first step towards a common European model;
7. Calls on the Commission to present a framework for a European model of employee ownership, to be developed as an alternative, optional instrument for the Member States, with the aim of deepening the Single Market, improving the cross-border activities of companies, especially SMEs, and protecting employees of subsidiary companies; notes that a European framework of this kind should serve only as a best practice option and be available for use by companies on a voluntary basis;
8. Notes that a framework for a European model of employee ownership should not override national taxation rules;
9. Calls on the Member States to provide tax incentives, in line with best practice principles, when promoting employee ownership schemes;
10. Points out that precisely targeted tax incentives could increase employee financial ownership in various Member States and even add to economic growth;
11. Believes that, in order to create a level playing field and not to hamper the internationalisation of enterprises, and to prevent double taxation and discrimination, the Commission should consider an optional, voluntary and overarching '29th regime' to

complement national taxation systems;

12. Is of the view, therefore, that the Commission should present guidelines on the taxation of EFP;
13. Notes that, as indicated before the financial crisis, remuneration policies that encourage excessively risky behaviour by employees can undermine the sound and efficient management of credit institutions and investment funds and other undertakings in the financial sector;
14. Points out that employee ownership fosters much-needed social cohesion and serves as an important addition to sustainable corporate governance; stresses, nonetheless, the need to take precautions when promoting ownership schemes so as not to substitute wages with profit-sharing systems;
15. Believes that any measure relating to the financial participation of employees in company income should be sustainable in the long term and be based on the principles of voluntary participation, equality among workers and due diligence, especially for SMEs; emphasises the fact that, despite the EU's recognition of the utility of EFP schemes, this area is not a Union competence;
16. Acknowledges that business succession, additional funding, staff retention and other problems characteristic of SMEs, can be alleviated by employee share ownership plans; is of the opinion that employee ownership schemes in small and micro enterprises can be combined with labour market measures, such as unemployment benefits, and thus help to reinstate the unemployed;
17. Notes that there is a lack of information and education about possible employee ownership schemes, especially among SMEs; calls on the Commission and the Member States in this regard to better organise information campaigns and to encourage the cross-border transferability of best practice schemes among Member States.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.11.2013
Result of final vote	+: 32 -: 3 0: 1
Members present for the final vote	Burkhard Balz, Jean-Paul Basset, Sharon Bowles, Udo Bullmann, George Sabin Cutaş, Rachida Dati, Derk Jan Eppink, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Liem Hoang Ngoc, Syed Kamall, Astrid Lulling, Ivana Maletić, Hans-Peter Martin, Arlene McCarthy, Sławomir Nitrás, Ivari Padar, Anni Podimata, Antolín Sánchez Presedo, Theodor Dumitru Stolojan, Ivo Strejček, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Corien Wortmann-Kool, Pablo Zalba Bidegain
Substitute(s) present for the final vote	Fabrizio Bertot, Philippe De Backer, Sari Essayah, Ashley Fox, Olle Ludvigsson, Nils Torvalds, Emilie Turunen, Oleg Valjalo