

Report from the meeting of Vice-President Jourova with Mr. Markus Beyer, Director General of Business Europe – 22/07/2020

Participants:

- Vice-President Jourova, Cabinet Members: [REDACTED] and [REDACTED].
- Business Europe: Director General, Mr. Markus Beyer and Director for Legal Affairs, Mr. Pedro Oliveira.

VPJ welcomed the possibility to take stock of important ongoing files and conveyed her support to ensure the right decisions/policy lines for businesses, especially SMEs.

Similarly, Mr. Beyer acknowledged the very good cooperation, appreciated VPJ's sensible views on supporting businesses and expressed gratitude for the recent Commission's proposal on the amendment of the Regulation on Societas Europea, to allow an extension of the deadlines for organising the general annual assemblies.

On the Privacy Shield, VPJ informed about the recent ECJ judgment. This is a cold shower, but companies still have SCC so they can be used for transfers. We need to bridge this difficult time and work on reaching more convergence with US on the legal framework. Now we need to work with the tools we have in hand. She inquired if BE would like to join a debate with EDPB on this matter and on GDPR review, especially focusing on SMEs.

Mr. Beyer opinionated that companies are a bit in limbo now. This is why whatever the Commission can do to support the DPAs will be highly welcomed. BE would indeed be interested in joining the discussions with EDPB. In the short term one cannot expect the US to amend the legislation and neither the EU to change the GDPR. It is therefore important to find a pragmatic solution in the meantime.

On the recovery VPJ stressed the need of the package and welcomed the EUCO agreement. EU needs money not only to repair the damage after Covid, but also to modernise the EU economy by investing in the right things. The Commission proposed a coherent approach, also with the SMEs strategy.

Mr. Beyer equally welcomed the recovery package, which is overall very positive, although there is some disappointment as regards cuts on Horizon or digital. Money need to be used now to improve the structure of our economies. BE will focus a lot on the national recovery plans.

On RoL conditionality, the Commission supported this and will now work on it. There are RoL issues for some time now, especially in HU and PL. It is important that businesses raise a stronger voice on this. In September the Commission will publish the RoL annual report, which will cover also corruption.

Mr. Beyer agreed in principle that there needs to be a link with RoL. But there should also be an obligation for MS to continue funding from their budgets in case of cuts from EU funds.

On Sustainable Corporate Governance, VPJ informed that this proposal is under preparation by Commissioner Reynders, for adoption next year. She invited BE to feed their views into the consultation process and announced that a study on directors duties should be made available soon. Ensuring the proportionality of the obligations will be of key importance. Eventual burdens should be relevant to the expected positive impact and purpose.

Mr. Beyer stressed that this is a very important topic for BE and expressed concerns that this proposal might be modelled after the FR national law. The Commission should be mindful of burden for companies, to take into account that especially due to Covid value chains have been distorted. The proposal should pursue rather an obligation of means, instead of an obligation of result. Responsibilities should not be transferred from states to companies and the impact on

competitiveness of our economies should be assessed. Also, it will be important to avoid overlap, for example on reporting obligations with the Non-Financial Performance Directive or with the Shareholders Rights Directive. The proposal should be proportionate and not over-prescriptive. BE is of the view that the current comply and explain approach works.

On gender pay transparency measures, VPJ informed that the Commission is preparing a proposal by the end of this year. She inquired about BE views on the types of obligations, which could be introduced at EU level.

Mr. Beyer expressed scepticism of any form of public reporting and was of the view that the most important aspects is to tackle the root causes of the gender pay gap. BE is not in favour of any binding pay transparency measures, as they have not seen convincing evidence that this is a big issue requiring regulation. If action cannot be avoided, then the legislation needs to be flexible enough to take into account what MS have already in place and to protect the competence of social partners. The rules should be in line with GDPR, as pay is a matter of privacy. BE is open to give their further views on this matter.

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Member of Cabinet of Vice-President Věra Jourová
Values and Transparency

European Commission

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https://ec.europa.eu/commission/commissioners/2019-2024/jourova_en#team

