



EUROPEAN COMMISSION

Brussels, 4.2.2020
C(2020) 378 final

Dear Chair,

The Commission would like to thank the Országgyűlés for its Opinion concerning the Communications “A stronger global actor: a more efficient decision-making for EU Common Foreign and Security Policy” {COM (2018) 647 final}, “Towards a more efficient and democratic decision making in EU tax policy” {COM (2019) 8 final} and “More efficient decision-making in social policy: Identification of areas for an enhanced move to qualified majority voting” {COM (2019) 186 final}.

The Communication on foreign and security policy notes that in a complex, connected and contested world, no Member State can meet alone the challenges the Union is facing. On the contrary, the EU and its Member States must act together to promote our common values and interests.

The Treaty on European Union establishes unanimity as the default rule for decision making in EU Common Foreign and Security Policy. While this rule has not prevented the Union from acting in foreign policy, in certain occasions it has affected the speed and ability of its action in the global arena. Conscious of the drawbacks of the unanimity rule, Member States have provided, in the Treaty on European Union, for the possibility, in certain cases, to adopt Common Foreign and Security Policy decisions by qualified majority voting or by ‘constructive abstention’.

The Communication explores these existing possibilities. For the Commission they offer a great potential, which unfortunately remains untapped. The Commission considers that to be able to continue to shape our future, uphold our shared sovereignty and exercise a positive international influence, the Union should improve its decision making in some Common Foreign and Security Policy matters by using the full range of possibilities offered by the Treaties. This is echoed in the Political Guidelines of President von der Leyen, where she states that “to be a global leader, the EU needs to act fast: I will push for qualified majority to be the rule in this area”.

Richárd HÖRCSIK
Chair of the European Affairs Committee
of the Országgyűlés
Kossuth Lajos tér 1-3.
HU – 1357 BUDAPEST

cc László KÖVÉR
President of the Országgyűlés
Kossuth Lajos tér 1-3.
HU – 1357 BUDAPEST

As regards moving from unanimity to qualified majority voting on taxation, the Commission would like to recall that taxation is essential to the functioning of our society and a key instrument of public policy at all levels of governance. This is why measures aimed at coordination, approximation or harmonisation of national legislations in the field of taxation are an important tool for policy at EU level, within the boundaries set by the Treaties and in line with the principle of subsidiarity. However, while globalisation and digitalisation have created common challenges from a tax perspective that need common solutions, the Union has not been able to react and adapt quickly due to the limitations of the unanimity rule in this area. A purely national approach to taxation is no longer appropriate and unanimity is neither a practical nor an effective way of decision-making to achieve our policy objectives. Coordinated EU action in taxation is essential to protect Member States' revenues and ensure a fair tax environment for all as well as the proper functioning of the internal market.

The Commission will not propose any change in EU competences in the field of taxation, or to the rights of Member States to set personal or corporate tax rates as they see fit. Instead, the aim is to allow Member States to exercise more efficiently their already pooled sovereignty so that shared challenges can be addressed more swiftly. Under qualified majority voting, Member States would be able to reach quicker and more effective solutions on taxation matters. Also, under the ordinary legislative procedure, taxation decisions would benefit from the input from the European Parliament, thereby representing citizens' views and increasing accountability.

Concerning the extension of qualified majority voting to further areas of social policy, although the majority of the EU's social policy competences is already governed by qualified majority voting, a limited number of areas are still subject to unanimity in the Council and special legislative procedures, in which the European Parliament does not have equal decision-making powers. The aim of the Commission's Communication is to open and stimulate the debate in the European Council, the European Parliament, the Council, other EU institutions, the social partners and other key stakeholders on the appropriateness of the current situation. Moving forward, the Commission has taken a targeted approach to the use of the passerelle clauses in the Treaties, suggesting it only in the area of non-discrimination and for the adoption of recommendations on social security and social protection of workers. Activating the passerelle clause in these two cases would render the decision-making at EU level more efficient, hence making it easier for the Member States to address common challenges more swiftly.

The Commission would like to emphasise that in using the passerelle clauses, apart from the voting and decision-making method, the legal framework surrounding EU action and Member States' competencies in designing employment and social policies will remain unaffected. The Treaty safeguards remain, notably the principles of subsidiarity and proportionality, the better regulation agenda and the mandatory two-step consultation of the social partners where provided for by the Treaty. Moreover, as the Országgyűlés rightly states, moving to qualified majority voting in the above two areas would be a decision entirely under the control of the Member States. It would take a unanimous

decision of the European Council to activate the general passerelle clause provided for in article 48.7 TEU.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Országgyűlés, and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*