



## EUROPEAN COMMISSION

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*Dear President,*

*The Commission would like to thank the Senato della Repubblica for its Opinion concerning the Commission Work Programme for 2016 {COM(2015) 610 final}, and for its support to finding common solutions to the multiple crises that Europe is facing today. The Commission takes good note of the proposals identified by the Senato della Repubblica for further consideration, and welcomes the substantive input already provided.*

*As regards the implementation of the Investment Plan in Italy, the Commission is pleased to note that as of mid-April 2016 eight projects have been approved by the Board of Directors of the European Investment Bank (EIB) under the Infrastructure and Innovation Window. These projects mobilize financing of EUR 1.5 billion from the EIB and should generate EUR 4.7 billion of additional investment. From these eight projects, two concern the R&D area, three the transport sector, two the energy sector and one the information and communications technology sector.*

*The Commission agrees with the Senato della Repubblica on the importance of completing the Economic and Monetary Union. The Commission is closely monitoring the implementation of the legislation on the Banking Union. In that regard the Commission has launched a Capital Markets Union and strengthened the economic governance framework to better support Member States in their efforts to boost growth and jobs. These are all necessary steps before passing on to Stage 2 with a White Paper to be presented in spring 2017. At that stage a macroeconomic stability function for the euro area may be considered.*

*In the framework of the Banking Union, the Commission would like to stress that depositors covered by a Deposit Guarantee Scheme will not suffer any losses in resolution. Limitations to the right to property must indeed be consistent with the Charter of Fundamental Rights so that the use of the resolution powers is limited to the extent necessary in order to meet an objective of general interest, namely preserving financial stability in the Union. In addition, as set out in the Commission Communication "Towards the completion of the Banking Union" {COM (2015)587 final}, the adequacy of the prudential treatment of banks' exposures to sovereign risk should be re-considered. In this context, the Five Presidents'*

*Mr Pietro GRASSO  
President of the  
Senato della Repubblica  
Piazza Madama, 1  
IT – 00186 ROMA*

*Report refers to the possibility of introducing limits on banks' exposures to individual sovereigns, as a means to ensure that their overall sovereign risk is sufficiently diversified. The Commission will come forward with the necessary proposals, drawing on quantitative analysis at international level and paying particular attention to financial stability aspects.*

*On 8 March 2016, the Commission also launched a public consultation on the European Pillar of Social Rights, to which non-euro Member States would remain free to participate. A European Skills Agenda will be presented in June 2016, and proposals on social security coordination and occupational health and safety in the second half of the year.*

*The Commission is pursuing an ambitious agenda in the area of taxation. Following the Anti-Tax Avoidance Package presented in January 2016, the Commission adopted on 12 April 2016 a proposal aimed at enhancing transparency in corporate taxation by requiring the largest companies to disclose their profits and taxes paid in each Member State, as well as in tax havens. The proposal to re-launch the discussions on the Common Consolidated Corporate Tax Base is foreseen for later this year. The Commission has also put forward options in the VAT action plan presented on 7 April 2016 aimed at reducing opportunities for fraud and simplifying the system, especially for small and medium-sized enterprises; proposals on the definitive regime, VAT rates and VAT for e-commerce, as well as further simplification measures will follow.*

*The Commission is conscious of the challenges in the Mediterranean area. It has reviewed the European Neighbourhood Policy to provide for a more tailor-made approach to supporting our Eastern and Southern neighbourhood, and the Commission is now actively contributing to the Global Strategy on Foreign and Security Policy that is currently being prepared by High Representative/Vice-President Mogherini. A European Defence Action Plan is planned for October 2016.*

*The Commission is pursuing an ambitious trade agenda, including for the protection of our geographical indications. Regarding the treatment of China in antidumping investigations, the Commission continues its assessment of the consequences of the expiry of certain provisions in the Protocol on Accession of China to the World Trade Organisation on 11 December 2016. Any changes would require an amendment of the basic anti-dumping Regulation through ordinary legislative procedure involving the European Parliament and the Council. Various options are being examined in the framework of a full and comprehensive impact assessment. This in-depth examination will include an analysis per sector and per Member State, in particular the potential impact on jobs. A public consultation was conducted from 10 February 2016 until 20 April 2016 and a stakeholders' meeting was organised on 17 March 2016. The Commission will therefore be able to take an informed decision on the way forward based on the impact assessment which entails broad consultation with the stakeholders. To date, no decision has been taken and the Commission will not take position before the on-going impact assessment is finalised.*

*The Commission would like to thank the Senato della Repubblica for its support to the efforts towards a swift and coordinated response to the migration crisis. On 6 April the Commission also outlined options for reforming the Common European Asylum System and developing safe and legal pathways to Europe. A first set of proposals reforming the 'Dublin' system, reinforcing the Eurodac system and establishing a European Union Agency for Asylum were presented on 4 May 2016; additional proposals will follow in the coming months. In June the Commission will issue a communication on the external aspects of the migration agenda.*

*The Commission hopes that the above considerations are useful to the Senato della Repubblica and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*