



HOUSE OF LORDS

European Union Committee

House of Lords
London
SW1A 0PW

Tel: 020 7219 6083
Fax: 020 7219 6715
euclords@parliament.uk
www.parliament.uk/hleu

First Vice-President Frans Timmermans
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

17 November 2014

Dear Frans,

8633/14: Proposal for a Directive of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision (recast).

Thank you for the letter from your predecessor, Mr Maroš Šefčovič, dated 17 September 2014, which the House of Lords European Union Select Committee considered at its meeting on 11 November 2014.

We were disappointed that Mr Šefčovič did not address all of the concerns set out in my letter of 9 July. We also note that the justification he advanced for the Commission's proposal was still based on anticipating future need, rather than on the existence of current need. This of course was one of grounds on which the Impact Assessment Board felt unable to approve the proposal, and we certainly consider that the anticipation of future need is not a sufficient justification for legislative action at EU level.

The United Kingdom Government shares many of our concerns, setting them out in its explanatory memorandum to Parliament on this proposal. We retain this proposal under parliamentary scrutiny, and look forward to continuing to scrutinise the Government's approach as the proposal is discussed in the Council. We also reiterate that if the proposal were to be adopted as currently drafted, we would be minded to recommend that the House of Lords requests the UK Government to institute legal proceedings to annul the legislation on subsidiarity grounds.

At the same time, since receiving the letter from Mr Šefčovič we have been greatly heartened by the commitment of President Juncker, and your own commitment, to promoting better engagement between the Commission and national parliaments. In the light of this we are keen to take up Mr Šefčovič's offer to continue political dialogue on this particular proposal, which is causing great concern in the United Kingdom. A meeting between the Internal Market Sub-Committee and the Commission might give both committee members and the Commission an opportunity to explain their different approaches more fully. I would be grateful for your thoughts on this suggestion.

I am copying this letter to Sir William Cash MP, Chairman of the European Scrutiny Committee in the House of Commons; Gunther Krichbaum, Chairman of the European Affairs Committee in the Bundestag; Peter Friedrich, Chairman of the Committee on

European Questions in the Bundesrat; Raymond Knops, Chairman of the European Union Affairs in the Tweede Kamer der Staten-Generaal; Tineke Strik, Chairwoman of the European Affairs Committee in the Eerste Kamer der Staten-Generaal; and Dominic Hannigan, Chairman of the Committee on European Affairs in the Houses of the Oireachtas.

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Lord Boswell of Aynho
Chairman of the European Union Committee