

<b>Committee(s):</b>	<b>Date(s):</b>
Public Relations and Economic Development Sub (Policy and Resources)	19 October 2015
<b>Subject:</b>	<b>Public</b>
Engagement with EU Policymakers	
<b>Report of:</b> Director of Economic Development	<b>For Information</b>
<b>Summary</b>	
<p>This paper provides an update on recent City of London Corporation engagement with EU policymakers, and anticipated areas of future engagement in areas including the Capital Markets Union, the EU Reform Agenda, and taxation. Brief summaries of recent meetings are provided as a non-public appendix.</p>	
<b>Recommendation(s)</b>	
<ul style="list-style-type: none"> <li>• Members are asked to note the report</li> </ul>	

## Main Report

### Background

1. The report provides Members with an update on the City of London's engagement with EU policymakers (at both Member State and EU level) since the last meeting of the Public Relations and Economic Development Sub-Committee in July. It should be noted that for August the European Parliament was in recess and there was little activity in the Commission.

### Capital Markets Union (CMU)

2. We have supported the Commission in bringing forward its proposals on Capital Markets Union, including a roundtable for Commissioners Jonathan Hill and Jyrki Katainen with senior industry representatives. This allowed practitioners to put across key blockages to greater investment in European infrastructure. Katainen has since drawn on the ideas presented at the discussion.
3. In a recent visit to Lithuania, the Policy Chairman delivered the keynote address to a conference, which was jointly hosted with the Lithuanian Finance Ministry, setting out the role of London in delivering an EU wide CMU. In a series of high level meetings (including the Prime Minister, Finance Minister and Deputy Speaker of the Parliament) the Chairman encouraged Lithuanian support for the project and offered targeted City expertise in areas such as crowd-funding. This

is particularly important given the pivotal role of smaller member states in the success of CMU.

4. In conjunction with the Luxembourg Presidency of the EU Council, the City of London will host a high level conference on 1 December on the theme of CMU. The Luxembourg Finance Minister and Commissioner Hill will provide the keynote addresses.
5. We have consistently given the message to the Commission that CMU must work for all 28 Member States and that market solutions should be the first approach with regulation only resorted to when necessary. These messages appear to have been heard and the general reception for the CMU package has been positive.

### **EU Reform Agenda**

6. On 1 October the City of London hosted a debate (with Business for New Europe and Business for Britain) entitled “Renegotiation, Brexit and the City”. This provided an opportunity to consider the impact of the forthcoming EU referendum on the financial services sector and generated a broad-ranging debate amongst financial practitioners, politicians and think tanks.
7. The Brussels Office team participated in an EU Reform themed event in Brussels on 23 July with a keynote address from the Ivan Rogers (The UK Ambassador to the EU).
8. The City of London will hold its Annual Brussels reception on 13 October, where the Policy Chairman and the recently appointed Special Representative for the City to the EU will set out the City perspective on the EU Reform agenda to an audience comprising industry representatives and EU policy makers
9. Jonathan Faull, Director General of the Task Force for Strategic Issues related to the UK Referendum, will be the principal guest at the Chairman’s VIP dinner and has agreed to set out the Commission’s thinking on the issue and to listen to our views. It will be a key opportunity to influence the debate.

### **Other policy areas**

10. A key event in the EU financial services calendar is the twice yearly Eurofi Financial Forum which brings together financial services industry representatives with EU policy makers. Discussion at the September session centred on the Capital Markets Union agenda, taxation, debt/equity financing and various other macroeconomic issues. The Brussels Office participated in this event enabling a broad-ranging engagement with industry representatives and policy makers, ensuring they were made aware of the City’s position on these key issues.

### **Taxation**

11. The Brussels Office team has met with Louise Heenan, Permanent Representation of Ireland, to discuss the major issues facing the City in terms of

taxation: Financial Transactions Tax (FTT), the OECD Base Erosion and Profit Shifting (BEPS) Tax Package and the Common Consolidated Corporate Tax Base (CCCTB). She confirmed that Netherlands Presidency will prioritise Corporate Tax (early stages of CCCTB dossier).

12. The next meeting of the IRSG Taxation Workstream will take place on 8 October. The agenda will centre on the FTT developments and the OECD BEPS Tax Package (published 5 October). The future chairmanship of the Workstream will also be on the agenda
13. The Brussels Office team has been following progress on Corporate Tax dossiers in the European Parliament, having attended the ECON/TAXE Committees joint exchange of views with President Juncker and Commissioner Moscovici. The Office has also been following the own-initiative draft reports on Corporate Tax put forward by Elisa Ferreira MEP (S&D, PT) and Michael Theurer MEP, and Luděk Niedermayer MEP (EPP, CZ) and Anneliese Dodds MEP (S&D, UK).

#### **Public Appendix\*: Officials and Policymakers met by the City Office Brussels**

- Louise Heenan, Tax attaché, Irish Permanent Representation
- John Berrigan, Acting Deputy Director General DG FISMA
- John Watson, Commission Representative Coreper 1
  
- Peter Curwen, Director Economic & Financial Affairs, UK Permanent Representation
- Veda Poon, Counsellor Financial Services & Trade, UK Permanent Representation
- Ola Ajadi, Financial attaché, UK Permanent Representation
- Tom Quaadman, Senior Vice President, & Andres Gil, Director, US Chamber Center for Capital Markets Competitiveness
- Laima Šiksnelyte, Financial Services attaché, Lithuania Permanent Representation

\*Meeting summaries are included as a non-public appendix.

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