

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

7259/90 (Presse 99)

1415th Council meeting
- INTERNAL MARKET -
Luxembourg, 20 June 1990

President: Mr Desmond J. O'MALLEY
Minister for Industry and
Commerce, Ireland

20.VI.1990

ers/BS/ptm

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Paul DE KEERSMAEKER
State Secretary for European
Affairs and Agriculture

Denmark:

Mrs Anne-Brigitte LUNDHOLT
Minister for Industry

Germany:

Mr Otto SCHLECHT
State Secretary, Federal Ministry
of Economic Affairs

Greece:

Mr G. THEOFANOUS
Secretary-General, Ministry
of Trade

Spain:

Mr Pedro SOLBES
State Secretary for Relations with
the European Communities

France:

Mr Jean CADET
Deputy Permanent Representative

Ireland:

Mr Desmond J. O'MALLEY
Minister for Industry and Commerce

Mr Terry LEYDEN
Minister of State at the Department
of Industry and Commerce with
special responsibility for Trade
and Marketing

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Italy:

Mr Pierluigi ROMITA Minister for Community Policies

Mr Paolo BABBINI State Secretary for Industry,
Trade and Craft Trades

Luxembourg:

Mr Georges WOHLFART State Secretary for Foreign Trade

Netherlands:

Mr Piet DANKERT State Secretary, Ministry for
Foreign Affairs

Portugal:

Mr Vitor MARTINS State Secretary for European
Integration

United Kingdom:

Mr John REDWOOD Parliamentary Under-Secretary of
State, Department of Trade and
Industry

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Commission:

Mr Martin BANGEMANN Vice-President
Sir Leon BRITTAN Vice-President
Ms Christiane SCRIVENER Member

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COMMUNITY TRANSIT

The Council adopted its common position on a proposal for a Regulation on Community transit.

The purpose of this proposal for a Regulation is to reconsolidate the rules in force since 1969 regarding the movement of goods within the Community (Community transit procedure) while adapting them to the situation which will come about with the establishment as from 1 January 1993, of the internal market, comprising an area without internal frontiers.

It will be remembered that the aim of the Community transit procedure which is applicable, in principle, to all movements of goods within the Community, is to facilitate the carriage of those goods by limiting formalities and controls solely to the points of departure and destination and by reducing administrative action, in particular when goods cross internal frontiers, to the minimum necessary.

Although the establishment of the internal market will have the effect of eliminating all controls and all formalities in respect of Community goods moving within the Community and consequently, of generally rendering the procedure for internal Community transit devoid of any purpose, external transit provisions must be maintained. This Regulation meets that objective.

ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Scope

The Council agreed on the substance with a view to adopting a common position on a proposal for a Directive aimed at extending the scope of Directives 78/660/EEC and 83/349/EEC concerning annual accounts and consolidated accounts of companies respectively.

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The purpose of the Directive is to make partnerships or limited liability partnerships subject to the accounting obligations of the 4th and 7th Directives on company law to the extent that all of their fully liable members are constituted either as public or as private limited liability companies (companies with share capital). The same concern for protection of partners and especially of third parties arises in the case of partnerships which are in fact companies with share capital. The purpose of the proposal for a Directive in question is therefore to fill a widening gap.

Exemptions for small and medium-sized companies

The Council agreed on the substance with a view to the adoption of a common position on the amended proposal for a Directive amending Directive 78/660/EEC on annual accounts and Directive 83/349/EEC on consolidated accounts with respect to the exemptions for small and medium-sized companies and the publication of accounts in ecus.

The aim of the Directive is to enable Member States to extend further the exemptions already provided for in the 4th Directive and 7th Directive for SMUs in line with the general policy of reducing unnecessary burdens on such undertakings.

This Directive also makes it possible to counter-balance the effects of the other Directive on which the Council (scope) agreed today in that partnerships falling within the scope of that Directive will be able to benefit from SMU treatment if they satisfy the rules which define them.

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RIGHT OF RESIDENCE

The Council held a debate on the three Directives on the right of residence on which agreement was reached in December 1989 (see Press Release No 11045/89 of 21/22.XII.89). The Council had decided to consult the European Parliament again on the amendments granted.

The Council confirmed its December agreement while adopting a number of amendments proposed by the European Parliament.

However, one delegation entered a reservation on the Directive on non-active persons. The Council hoped this delegation would withdraw its reservation as soon as possible to enable this important set of Directives to be finally adopted.

LIFE ASSURANCE - 2ND DIRECTIVE

As part of the first stage in the co-operation procedure with the European Parliament, the Council reached agreement on a common position on a second Directive on the co-ordination of provisions for the exercise of freedom to provide direct life assurance services and amending the second Directive 79/267/EEC.

The purpose of this Directive is to supplement the first Directive on life assurance (Directive 79/267/EEC) and to facilitate the effective exercise of freedom to provide services in this area, thus affording policy holders complete freedom to avail themselves of the widest possible market. This proposal for a Directive is the counterpart of the second Directive on insurance other than life assurance adopted by the Council on 22 June 1988.

The following main points of the content of the Directive may be indicated:

- it lays down special provisions for access to and the pursuit of activity by way of freedom to provide services, two different systems being provided for depending on whether the initiative comes from the insurer or the policy-holder;
- it lays down the powers and means of supervision vested in the supervisory authorities as regards the activity to provide services;
- it provides, for the purpose of protecting the policy-holder, a right to cancel a contract within a fixed period of its conclusion;
- taking into account the extension of its scope to include group insurance and of the need to guarantee the independence of brokers in all the Member States, it provides for the possibility of delayed application as regards group insurance on the one hand and the system of freedom to provide services through brokers on the other;
- in order to preclude any sources of distortion of competition, the tax system applied is that of the Member State of commitment, i.e. that of the policy-holder.

Specific transitional provisions are provided for certain Member States which, in view of their economic situation, have to make a particularly great effort.

CONCERTED COMPETITION PRACTICES IN THE INSURANCE SECTOR:

APPLICATION OF ARTICLE 85.3

The Council, subject to the Opinion of the European Parliament, reached agreement in principle on a proposal for a Regulation on the application of Article 85(3) of the Treaty to certain categories of agreement, decisions and concerted practices in the insurance sector.

The aim of the proposal is to empower the Commission to adopt group exemption for certain types of agreements in the insurance sector.

MOTOR VEHICLE LIABILITY INSURANCE

The Council adopted a common position on the amendment proposed by the Commission, particularly as regards motor vehicle liability, to the first and second Directives on insurance other than life assurance.

The proposed amendment is aimed at extending the scope of the second Directive on the freedom to provide services in the sector of direct insurance other than life assurance to include motor vehicle liability insurance in respect of the use of motor vehicles.

The Directive should make the maximum contribution for facilitating the freedom to provide motor vehicle liability insurance services between Member States, while ensuring a high degree of protection for the insured and for accident victims.

As regards the supervision of insurers, it will be remembered that the second Directive provides for two different systems: the "large risk" system mainly governed by the State in which the insurer is established (supervision by the country of origin) whereas for small risks (i.e. small policy-holders) the State in which the risk is situated may under certain circumstances require authorization and supervise the policy conditions, the premiums and the technical provisions.

In order to take account of the special requirements for the protection of road accident victims, provision was made for a progressive system of application of the large risk system to be adapted in the light of the subsequent harmonization of technical provisions.

ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS OF INSURANCE UNDERTAKINGS

The Council was informed of progress made in the discussions on a proposal for a Directive on the annual accounts and consolidated accounts of insurance undertakings.

The Council also took note of the incoming Presidency's commitment to actively continuing the discussions on this dossier in the second half of the year.

MAJOR EUROPE-WIDE NETWORKS

The Council took note of the verbal report by Commissioner BANAGEMANN on progress made in the discussions on this matter.

Mr BANGEMANN announced the submission of a document for the Council meeting on 17 July 1990.

Delegations stressed the importance they attached to this matter and the need to implement in an effective manner the broad lines of the Resolution adopted by the Council in December (see press release 11045/89 - 21/22.XII.89).

LEGAL PROTECTION OF BIOTECHNOLOGICAL INVENTIONS

The Council was informed of progress made in the discussions on a proposal for a Directive on the legal protection of biotechnological inventions on which the European Parliament's Opinion is awaited.

The delegations raised the following questions in particular:

- the ethical aspects of the possibility of patenting certain biotechnological inventions;
- the existence of patent rights alongside plant breeders' rights.

The Council instructed the Permanent Representatives Committee to continue its discussions on the matter.

RECOGNITION OF VOCATIONAL EDUCATION AND TRAINING

The Council took note of progress made in the discussions on the proposal for a Council Directive on a second general system for the recognition of vocational education and training.

This proposal covers all regulated professions not covered either by a specific Directive or by the first general system for the general recognition of higher education diplomas (Directive 89/48/EEC).

The Council instructed the Permanent Representatives Committee to continue its discussions to allow it to reach a common position as soon as possible.

FOOD AND FOOD INGREDIENTS TREATED WITH IONIZING RADIATION

On the basis of a compromise from the Presidency, the Council held an exchange of views on a proposal for a Directive aimed at ensuring the free movement of products treated with ionizing radiation while guaranteeing a high level of consumer protection.

This compromise is based on the following aspects:

- a Community list containing herbs and spices only;
- national authorizations the implementing procedures for which remain to be specified.

- stringent labelling rules.

The Council instructed the Permanent Representatives Committee to complete its discussions on the compromise in order to be able to reach agreement as soon as possible, taking account of the deadline of 31 December 1990, when the exemption for the treatment of herbs and spices with ethylene oxide would expire.

DANGEROUS SUBSTANCES AND PREPARATIONS

This item was postponed until the Council meeting on 17 July 1990.

GERMAN UNIFICATION

During lunch, the German Minister informed his colleagues of developments relating to the internal market, including the right of ownership and the privatization of undertakings.

MISCELLANEOUS DECISIONS

Other decisions in the Internal Market sector

Approximation of legislation

The Council adopted

- the Directives on the approximation of the laws of the Member States relating to

= active implantable electromedical devices - this Directive covers all medical devices implanted in the human body and using a source of energy, the best known being the heart pacemaker;

= non-automatic weighing instruments

(see press release 10023/89 Presse 218 - 23.XI.89)

- the common positions for the adoption of the Directives amending Directives

= 87/404/EEC on the approximation of the laws of the Member States relating to simple pressure vessels

= 79/196/EEC on the approximation of the laws of the Member States concerning electrical equipment for use in potentially explosive atmospheres employing certain types of protection

= 84/529/EEC on the approximation of the laws of the Member States relating to electrically operated lifts.

Technical harmonization - conformity assessment

The Council adopted its common position with a view to the adoption of a Decision concerning the modules for the various phases of the conformity assessment procedures which are intended to be used in the technical harmonization Directives.

The aim of the draft Decision is to establish that the conformity assessment procedures to be used in the technical harmonization Directives in the marketing of industrial products will be chosen from among the modules contained in the Decision and in accordance with the criteria therein. It considers that the introduction of harmonized methods for the assessment of conformity and the adoption of a common doctrine for their implementation are likely to facilitate the adoption of the future technical harmonization Directives concerning the placing on the market of industrial products and thus be conducive to the completion of the internal market by 31 December 1992.

Customs Union

The Council adopted the Regulations

- amending Regulation 1301/88 determining the persons liable for payment of a customs debt
- information provided by the customs authorities of the Member States concerning the classification of goods in the customs nomenclature
- temporarily suspending the autonomous common customs tariff duty on certain industrial products (in the chemical and allied sectors).

Customs Co-operation Council

The Council authorized the Commission to sign on behalf of the Community the Customs Co-operation Council Convention on temporary admission.

Economic activities

The Council adopted its common position with a view to the adoption of the Regulation on the statistical classification of economic activities in the European Community.

ECSC

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted the Decisions on the opening of

- a zero-duty tariff quota for flat-rolled products of silicon electrical steel for the Benelux countries

- two zero-duty tariff quotas for flat-rolled products of silicon electrical steel for Spain.

TYPE DE DOCUMENT : BIO
NUMERO DE DOCUMENT: BIO/90/186
DATE DU DOCUMENT : 20/06/20
TITRE : CONSEIL MARCHE INTERIEUR DU 20 JUIN 1990 : DROIT DE SEJOUR
DANS TOUTE LA COMMUNAUTE POUR LES ETUDIANTS, LES RETRAITES
ET LES AUTRES PERSONNES NON-ACTIVES
MOTS CLES : CONSMEET;FREEPEOPLE

Les Douze ont adopte mercredi a Luxembourg une triple proposition de la Commission europeenne qui garantit aux etudiants, aux personnes ayant cesse definitivement leurs activites professionnelles et aux autres personnes non-actives, le droit de sejour sur l'ensemble du territoire de la Communaute Europeenne. Le droit de sejour devrait etre reconnu a des conditions minimales et acceptables, a savoir que toutes ces personnes doivent disposer d'une assurance-maladie et ne pas etre a charge de l'assistance sociale.

Pratiquement, les etudiants disposeront d'une carte de sejour specifique renouvelable chaque annee.

Pour les autres personnes visees par les directives proposees par la Commission Europeenne, la carte de sejour sera renouvelable et valable pour 5 annees au moins.

L'idee generale est simple : pour beneficier du droit de sejour dans un autre pays de la Communaute que leur pays d'origine, ces categories de personnes doivent etre couvertes par une assurance-maladie et ne pas etre a charge de l'assistance sociale.

Pour les etudiants, le droit de sejour doit etre reconnu sur la base de l'inscription a un etablissement d'enseignement pour y suivre des cours de formation professionnelle et d'une declaration personnelle aux autorites du pays d'accueil selon laquelle ils disposent de revenus suffisants.

Quant aux personnes ayant cesse definitivement leurs activites professionnelles et aux autres personnes non-actives, les pays d'accueil pourront exiger la preuve qu'elles disposent d'une pension, d'une rente ou de ressources d'un niveau tel qu'elles evitent a ces personnes de dependre de l'assistance sociale du pays d'accueil.

En principe, tout ceci devrait pouvoir entrer en vigueur pour la fin de 1991.

Cette decision a ete prise a l'unanimite par les Douze, le gouvernement danois ayant toutefois demande une reserve d'attente pour consulter le Parlement du Danemark.

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Pour sa part, le Vice-President Martin Bangemann a souligne que la Commission Europeenne ne pouvait accepter le fait que les Douze ont modifie la base juridique proposee initialement par la Commission. Les Douze ont en effet opte pour l'article 235 du Traite de Rome, ce qui aux yeux de la Commission n'est pas une base juridique correcte.

Par ailleurs, a declare le Vice-President Bangemann - qui a fait acter cette declaration formellement - la Commission considere que le changement de base juridique met en cause les prerogatives du Parlement Europeen et que la Commission se reserve le droit de recourir aux voies juridiques disponibles.

Brussels, 21 June 1990

NOTE BIO (90) 186 suite 1 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

Internal Market Council 20 June 1990

The Council reached a common position on the motor insurance directive and a political agreement on the second life directive which should be formalised as a common position before the end of the Irish presidency.

Motor Insurance Directive (M.F. Berendt)

This directive was adopted by qualified majority. The German delegation was unsuccessful in its attempt to postpone the freeing of insurance tariffs. The measure will bring motor insurance into the scope of the non-life directives, allowing companies and others representing large risks to buy their motor insurance anywhere in the Community.

Since a number of Member States were concerned to ensure protection for the victim of an accident, it was agreed that for a transitional period an insurance company wishing to sell in another Member State should ensure that sufficient reserves are held in the Member State to match its potential liabilities. This arrangement, involving an element of host country control, will be phased out when the Commission's planned new framework directive on non-life assurance has been adopted and introduced by member states.

Declaration of Sir Leon Brittan

I am delighted with the Council's agreement on the second directive on life insurance and its adoption of a common position on the motor insurance directive.

The text of the common position on the life directive should be formally adopted in the next few days. It represents an important step in the creation of a single European market in insurance and should come into force by the end of 1992.

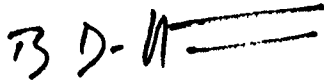
This directive will finally allow every citizen of the Community to take out a contract of insurance with an insurer in any Member State on his own initiative, and thus enable him to choose from all types of policy available within the Community. Insurers, for their part, will be able to sell their policies on a "services basis"; that is, without having to be established in the Member State where the service is rendered. I believe it will bring real benefits to consumers and insurers.

The directive will also establish the right of those seeking group assurance to shop from insurance companies throughout the Community. This could be especially important for company pension schemes, for instance. Member States will be able to defer the full implementation of this provision until the end of 1994.

I also welcome the provision which will allow consumers to use the services of local brokers to buy insurance from outside the local market, although this need not take effect until three years after the coming into effect of the directive. The protection of the consumer is of paramount importance. It will be guaranteed by such provisions as the "own initiative" requirement; the declaration to be signed by consumers who act through a local broker; and the specification of a "cooling off period" during which a contract may be cancelled without penalty.

Member States will have time to introduce such national regulation as may be necessary to assure the independence and professionalism of brokers. This is the point of the three year derogation clause.

Regards,

A handwritten signature in black ink, appearing to read "B. Dethomas". The signature is stylized and includes a horizontal line through the middle of the letters.

B. Dethomas