

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

6288/90 (Presse 62)

1401st Council meeting

- INTERNAL MARKET -

Brussels, 14 May 1990

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

thy/LG/pj

Italy:

Mr Pierluigi ROMITA

Minister for Community Policies

Mr Paolo BABBINI

State Secretary for Industry,
Trade and Craft Trades

Luxembourg:

Mr Thierry STOLL

Deputy Permanent Representative

Netherlands:

Mr Piet DANKERT

State Secretary 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

thy/LG/pj

MOTOR VEHICLE CIVIL LIABILITY INSURANCE - FREEDOM TO PROVIDE SERVICES

The Council held a discussion on the amendment proposed by the Commission, with more specific reference to motor vehicle civil liability insurance, of the first and second Directives on insurance other than life assurance.

The purpose of the proposed amendment is to extend the scope of the second Directive, which concerns freedom to provide services in the area of direct insurance other than life assurance, to include insurance against civil liability in respect of the use of motor vehicles.

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

It should be noted that the second Directive provides for two separate arrangements for the supervision of insurers: the "large risks" arrangement, essentially 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 located may, under certain conditions, require approval and supervise the policy conditions, tariffs and technical reserves.

The discussion enabled substantial progress to be made in resolving the problems still outstanding. However, the question of the duration and dates of the transitional arrangements for the introduction of the "large risks" system has still to be examined in depth on the basis of the Presidency's compromise.

At the close of the discussion, the Permanent Representatives Committee was instructed to finalize the above matter with a view to the resumption of the Council's discussion on 20 June 1990.

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MOTOR VEHICLE CIVIL LIABILITY INSURANCE - APPROXIMATION OF LAWS

Following the completion of the co-operation procedure with the European Parliament, the Council formally adopted the 3rd Directive on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles.

The purpose of this Directive, which forms part of the completion of the Internal Market, is to resolve certain problems which were not settled by the first two Directives on the subject. Thus, the first Directive (72/166/EEC) was aimed principally at abolishing controls on the green insurance card and the second (84/5/EEC) was aimed at reducing disparities in the treatment of accident victims.

The aim of the third is, in particular, to provide further protection of the interests of accident victims and those of the insured.

It is with this in mind that the enacting terms:

- impose compulsory cover for all passengers of the vehicle, including where the passenger is the owner, the holder of the vehicle or the insured person himself;
- stipulate that each civil liability insurance policy, in addition to covering the entire territory of the Community, must guarantee, in each Member State, the cover imposed in the Member State where the vehicle is normally based or that imposed by the Member State in which the vehicle is moving, whichever is the greater;
- harmonize national provisions concerning the guarantee funds, set up by the 2nd Directive, which compensate victims where the vehicle which caused the accident was not insured or was not identified; the victim will no longer be responsible for establishing that the person liable is unable or refuses to compensate him.

PROTECTION OF COMPUTER PROGRAMS

The Council took note of the progress of proceedings on the proposal for a Directive on the legal protection of computer programs, on which it is still awaiting the Opinion of the European Parliament. The proposal stipulates that the Member States should grant the protection of copyright to computer programs as literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works.

The discussion focussed on the reverse engineering of computer programs. Several options were put forward in order to resolve this question.

At the close of the discussion, the Council concluded that:

- it was desirable not to depart significantly from the current framework for legal protection;
- examination of all the options suggested should be continued, as should the study of the possibility of combining some of those options;
- the Permanent Representatives Committee and the Working Party were instructed to continue their examination of all these options, taking into account the European Parliament's Opinion, once it was delivered;
- the Permanent Representatives Committee was instructed to report back to the Council on its examination of all the options with a view to a more definitive discussion of the matter within the Council.

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STATUTE FOR A EUROPEAN COMPANY

The Council held a discussion on progress regarding the proposals for a Council Regulation on the Statute for a European Company and for a Council Directive complementing the Statute, on which the European Parliament's Opinion is awaited.

These proposals replace the previous proposals of 1970 and 1975 and are further to the memorandum forwarded in July 1988.

According to the proposals, adoption of the Statute, while continuing to be optional, would afford undertakings the possibility of resorting to a form of limited liability company directly linked to Community law. Access to this new form would be facilitated both by the flexibility possible in the choice of founder members and by the fixing of a relatively low minimum capital. Provision is made for references to the Directives concerning companies already adopted or on which negotiations appear to be well advanced, as well as to the law of the States in which they have their registered offices.

The questions which were raised concern, in particular:

- the attractiveness of the Statute for undertakings;
- the link between the Statute and national law;
- employee participation.

The Council instructed the Permanent Representatives Committee to examine the proposals in greater detail in order to be able to resume the discussion at a forthcoming Council meeting.

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OBSTACLES TO PUBLIC PURCHASE OFFERS

The Council heard a statement by Vice-President BRITTAN presenting a study on eliminating obstacles to the acquisition of companies through a public purchase offer.

After a brief exchange of views on this subject, the Council took note of the Commission's intention to submit a formal proposal to it on the matter.

PHARMACEUTICAL PRODUCTS

The Council held an initial exchange of views on a proposal for a Regulation recently submitted by the Commission concerning the creation of a supplementary protection certificate for medicinal products.

The purpose of the proposal is to improve the legal protection of medicinal products covered by patents, the protection of which is shortened by the present marketing authorization system. By means of the introduction of a supplementary protection certificate, which will take effect after the expiry of the duration of the patent, the pharmaceutical industries of the Member States will be placed in conditions similar to those existing in certain third countries.

The Council instructed the Permanent Representatives Committee to begin studying the proposal in order to enable the Council to discuss it once the European Parliament and the Economic and Social Committee deliver their Opinions.

Vice-President BANGEMANN also informed the Council of the Commission's other plans concerning pharmaceutical products.

MISCELLANEOUS DECISIONS

I. Miscellaneous decisions concerning agricultural policy

After the formal adoption of an initial series of Regulations (see Press Release 6025/90 Presse 55 of 7.5.1990) further to the discussions on the prices package on 25, 26 and 27 April 1990, the Council formally adopted the other Regulations and Decisions on the fixing of the prices for agricultural products and certain related measures (1990/1991). These were the following Regulations and Decisions:

Cereals and rice

- amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals
- fixing the prices applicable to cereals for the 1990/1991 marketing year
- fixing the amount of the co-responsibility levy for cereals for the 1990/1991 marketing year
- fixing for the 1990/1991 marketing year the amount of the aid for durum wheat
- fixing the monthly price increases for cereals, wheat and rye flour and wheat groats and meal for the 1990/1991 marketing year
- fixing the production aid for certain cereals sown in the 1990/1991 marketing year
- instituting aid for small producers of certain arable crops

- amending Regulation (EEC) No 729/89 laying down general rules for the special arrangements applicable to small producers as part of the co-responsibility arrangements in the cereals sector
- fixing the aid for small producers of certain arable crops sown in the 1990/1991 marketing year
- fixing the production aid for certain varieties of high-quality flint maize sown in the 1990/1991 marketing year
- amending Regulation (EEC) No 1008/86 laying down detailed rules for production refunds applicable to potato starch
- fixing the minimum price for potatoes to be paid by the starch manufacturer to the potato producer for the 1990/1991 cereals marketing year
- fixing rice prices for the 1990/1991 marketing year
- fixing the monthly price increases for paddy rice and husked rice for the 1990/1991 marketing year
- fixing the amount of the production aid for certain varieties of rice sown in the 1990/1991 marketing year

Sugar

- fixing, for the 1990/1991 marketing year, certain sugar prices and the standard quality of beet

- fixing, for the 1990/1991 marketing year, the derived intervention prices for white sugar, the intervention price for raw sugar, the minimum prices for A and B beet, the threshold prices, the amount of compensation for storage costs and the prices to be applied in Spain and Portugal

Olive oil - oilseeds

- fixing the production target price, the production aid and the intervention price for olive oil for the 1990/1991 marketing year
- fixing the guide price for flax seed for the 1990/1991 marketing year
- fixing the aid for hemp seed for the 1990/1991 marketing year
- fixing the target prices and intervention prices for colza, rape and sunflower seed for the 1990/1991 marketing year
- fixing the monthly increases in the target price, the intervention price and the intervention buying-in price for colza, rape and sunflower seed for the 1990/1991 marketing year
- fixing the guide price for soya beans for the 1990/1991 marketing year
- fixing the minimum price for soya beans for the 1990/1991 marketing year
- amending Regulation (EEC) No 1594/83 on the subsidy for oilseeds

Textile fibres

- fixing the guide price for unginned cotton for the 1990/1991 marketing year
- fixing the maximum guaranteed quantity of cotton and the minimum price for unginned cotton for the 1990/1991 marketing year
- amending Regulation (EEC) No 1964/87 adjusting the system of aid for cotton introduced by Protocol No 4 annexed to the Act of Accession of Greece
- fixing the amount of aid for fibre flax and hemp and the amount withheld to finance measures to promote the use of flax fibre for the 1990/1991 marketing year
- fixing the amount of aid in respect of silkworms for the 1990/1991 rearing year

Sheepmeat/goatmeat and pigmeat

- fixing the basic price for sheepmeat for the 1991 marketing year
- instituting specific aid for sheep and goat farming in certain less-favoured areas of the Community
- fixing the basic price and the standard quality for pig carcasses for the period 1 July 1990 to 30 June 1991

WINE

- amending Regulation (EEC) No 822/87 on the common organization of the market in wine
- fixing the guide prices for wine for the 1990/1991 wine year

- amending Regulation (EEC) No 1442/88 on the granting, for the 1988/1989 to 1995/1996 wine years, of permanent abandonment premiums in respect of wine-growing areas
- amending Regulation (EEC) No 358/79 as regards sparkling wines produced in the Community as defined in point 15 of Annex I to Regulation (EEC) No 822/87 and Regulation (EEC) No 4252/88 on the preparation and marketing of liqueur wines produced in the Community

Tobacco

- amending Regulation (EEC) No 727/70 on the common organization of the market in raw tobacco
- laying down special measures applicable to raw tobacco of a certain variety from the 1989 harvest
- fixing, for the 1990 harvest, the norm and intervention prices and the premiums granted to purchasers of leaf tobacco, the derived intervention prices for baled tobacco, the reference qualities, the production areas and the guaranteed maximum quantities for the 1991 harvest and amending Regulation (EEC) No 1252/89
- amending Regulation (EEC) No 1469/70 fixing the percentages and quantities of tobacco taken over by the intervention agencies and the percentage of Community tobacco production above which the procedure laid down in Article 13 of Regulation (EEC) No 727/70 applies

II. Other miscellaneous decisions

Customs Union

The Council adopted the common position with a view to the adoption of a Directive amending Directive 79/695/EEC on the harmonization of procedures for the release of goods for free circulation.

It should be noted that Title II of Directive 79/695/EEC contained a series of provisions laying down simplified procedures for release for free circulation. The Directive stipulated that as from 1 January 1984:

- Member States could not apply any simplified procedures other than those contained in the Directive;
- Member States were bound to implement all those procedures insofar as their administrative organization permitted it.

With a view to the 1993 single market, this Directive updates some of those procedures in order to take into better account developments in customs legislation and the implementation of the procedures in practice, and makes them compulsory in all the Member States.

The Council also adopted the Decision on the Community's participation in the negotiation, within the United Nations Economic Commission for Europe, of a Convention on the customs arrangements applicable to containers used within an international pool.

USSR

The Council adopted the Regulation implementing certain provisions of the Agreement between the EEC and the EAEC and the USSR on trade and commercial and economic co-operation, i.e. the progressive introduction of certain liberalization measures intended to facilitate access to the Community market for Soviet goods.

Bruxelles, le 11 mai 1990

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NOTE BIO (90) 131 AUX BUREAUX NATIONAUX
CC. AUX Membres du Service de Parlo-Parole

RENDEZ-VOUS DE MIDI DU 11 MAI 1990.

Préparation du Conseil Marché Intérieur
voir bio 132 séparée.

Visite du Vice-Président Andriessen à Moscou (N. Wegter)

M. Andriessen s'est rendu à Moscou à l'occasion de la première réunion du Comité mixte CE/URSS dans le cadre de l'application de l'accord commercial et de coopération économique entre ces deux parties. Il s'agissait de la première visite d'un représentant du Collège au gouvernement soviétique et à point de vue il s'agit d'un événement important.

Cette importance est bien illustrée par le fait que la présence de M. Andriessen a conduit à un rendez-vous séparé sous forme de tête à tête avec M. Chevardnadze pendant la matinée d'hier. Cette rencontre, qui était prévue d'une durée de 45 minutes, s'est en effet prolongée jusqu'à 90 minutes, est un signal politique important donné du côté du gouvernement soviétique vis-à-vis de la Communauté européenne, et en particulier, vis-à-vis de la Commission.

En ce qui concerne la réunion du Comité mixte, qui s'est déroulée pendant toute la journée d'hier, ainsi que cette après-midi, a permis aux deux parties d'avoir un échange de vues en ce qui concerne les thèmes spécifiques susceptibles pour une coopération future. Au cours de cette réunion, les domaines suivants ont été identifiés : politique d'environnement, sécurité nucléaire, sciences et technologie.

Séparément, nous vous enverrons le texte du discours d'ouverture prononcé par le Vice-Président Andriessen à cette réunion et nous espérons pouvoir vous envoyer également, dès qu'elles seront disponibles, les conclusions finales auxquelles les deux parties seront parvenues ce soir, à la clôture de cette réunion.

M. Andriessen a donné une conférence de presse dans la salle de presse du Ministère des Affaires Etrangères à Moscou, hier après-midi, afin d'informer la presse de ses conclusions tant en ce qui concerne la réunion du Comité mixte ainsi que en relation avec son entrevue avec M. Chevardnadze.

Lundi matin, nous vous enverrons par télex le texte d'introduction à cette conférence de presse, largement mais pas littéralement utilisé par M. Andriessen.

Matériel diffusé

IP 378 - Commission clôt le dossier de la fusion Siemens-Nixdorf

IP 379 - FED

IP 381 - Résumé du discours de M. Mac Sharry devant le "Irish veterinary officers' association (+ texte intégral)

IP 382 - Visite de M. Marin au Canada

Amitiés,
B. DETHOMAS



Bruxelles, le 14 mai 1990.

**NOTE BIO 131 (suite 1 et fin) AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole**

PRESS CONFERENCE - Summary - Joint Committee USSR/EC (Nico Wegter)

- I came to Moscow to assist to the 1st meeting of Joint Committee related to the agreement between the USSR and EC on commercial and economic cooperation.
- Indeed an important occasion. In fact today the first visit of a representative of the European Commission to the Soviet government. A good demonstration that things are changing fast !
- My presence today (as well as that of the Foreign Minister Mr. Shevardnadze) confirms that both parties are determined to bring about closer relationship between both parties.
- The bilateral agreement provides an excellent tool for that purpose in particular in the economic sense.
- We aim at enhancing trade relations but also cooperation in specific areas like agriculture, transport, industry, etc.
- Today are being discussed in particular topics like :
 - . environmental protection
 - . nuclear safety
 - . science and technology
- This bilateral agreement does constitute an important element for the construction of the future architecture of Europe.
- The latter subject has been in fact the main topic of my (bilateral) conversation which I had this morning with Mr. Shevardnadze.
- That meeting - that largely went beyond the time schedule initially foreseen - provided an opportunity to discuss future European structures, or as Mr. Shevardnadze called it : the future European Economic Space.
- I have underlined that the integration process within the context of the European Community is in no way contradictory with further integration efforts in a wider context.
- My counterparts today have shared our view that a reinforced European Community will prove to be a stabilising factor for the future of Europe as a whole.
- The German unification (and through this the integration of the GDR in the EC) has been qualified by both parties as a positive step in that direction.
- I also had a very interesting exchange of views with the Deputy Prime Minister and Chairman State Foreign Economic Commission, Mr. Sytirian. We discussed, apart from bilateral issues, more in particular the role of COMECON, which role for permitting the East European countries to succeed in their efforts to bring about market economies was underlined

provided COMECON is fundamentally reformed. In that sense it could be important as a provisional instrument for the future economic architecture of Europe.

B. D. L. ———

Amitiés,
Bruno Dethomas

Brussels, 11 May 1990

NOTE BIO (90) 132 .UX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

Internal Market Council - 14 May 1990

Motor Insurance (M.F. Berendt)

1. Adoption of the third motor insurance directive. The Council of Ministers is expected to give its final agreement to this directive on which a common position was reached in December 1989. The directive supplements the existing legislation on the conditions for motor insurance. It will ensure that the insurance cover which is provided to a motorist in his country of origin will be valid throughout the Community and it will no longer be necessary for an additional charge to be made for supplying a green card - as is often required by British insurers. The directive will also ensure a guarantee fund in each member state which will step in when the person causing an accident cannot be traced and the victim is left without recompense.

The directive will come into force on January 1 1993, except for Greece, Spain, Portugal and Ireland which will delay until January 1 1996, and Irish motor cycle insurance until January 1 1999.

2. Freedom of services for motor insurance. Ministers will have a discussion of this Commission proposal which is designed to bring motor insurance into the second non-life directive. Under this directive the control of insurance companies would remain with the home country for "large risks" (risks incurred by companies and other organisations) whereas "mass risk" insurance (incurred by individuals) would be controlled by the country where the insurance was being sold.

There is considerable opposition in the Council of Ministers to the Commission's proposal, with eight member states arguing that both "large risk" and "mass risk" motor insurance should be controlled by the member state where the insurance is being sold. In the Commission's view, this conflicts with the basic aim of creating a single market, but the Commission recognizes member states' concern to protect those covered by insurance from the risk of an insurance company collapsing or otherwise failing to meet its obligations. It therefore proposes that "large risk" motor insurance should be incorporated in the non-life directive, but that each member state could continue to set the standards for insurance companies' financial requirements until agreement was reached on a directive covering insurance company accounts.

Regards,

Bruno Dethomas