

**EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY
COMMITTEE**

33RD MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

Trondheim, Norway

RESOLUTIONS

Adopted pursuant to Rules 11 and 13 of the Rules of Procedure,
at the 33rd meeting of the Joint Parliamentary Committee

in Trondheim, 28 October 2009

Resolution: The EEA and the Global Financial Crisis: Promoting recovery (1094908)

Co-rapporteurs: Mr Árni Thór SIGURDSSON (Left Green Movement, Iceland)
Mr Paul RÜBIG (EPP, Austria)

adopted unanimously

Resolution: Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services (1094912)

Co-rapporteurs: Mr Steinar GULLVÅG (Labour Party, Norway)
Ms Catherine STIHLER (S&D Group, United Kingdom)

adopted unanimously

RESOLUTION

on

The EEA and the Global Financial Crisis: Promoting recovery

The Joint Parliamentary Committee of the European Economic Area:

- A. mindful that the consequences of the global financial crisis in the EEA risk undermining the viability of the single market,
- B. mindful of the EEA Agreement, Art. 1, which states that the Agreement aims to promote a continuous and balanced strengthening of trade and economic relations between the Contracting Parties with equal conditions of competition, and the respect of the same rules, with a view to creating a homogeneous European Economic Area,
- C. mindful that the 3 EEA EFTA States have adopted all EU Directives relating to financial services and consumer protection, including EU Directive 94/19/EEC on Deposit Guarantee Schemes,
- D. noting the European Parliament's report on the Crisis at the Equitable Life society (adopted 28 March 2007) which called for urgent revision of the Deposit Guarantees Directive,
- E. recalling the de Larosière Group report on Financial Supervision in the EU from 25 February 2009,
- F. noting the Communication from the Commission on European financial supervision (27 May 2009); the conclusions from the Brussels European Council on 18/19 June 2009; and the proposals from the informal meeting of EU Heads of State or Government in Brussels on 17 September 2009.
 1. Highlights that EU Directive 94/19/EEC on Deposit Guarantee Schemes provides for each Member State to ensure within its territory the introduction of and official recognition of one or more deposit guarantee schemes to which credit institutions are required to belong, thus ensuring that the main elements of the deposit guarantee schemes are harmonised across the EEA;
 2. emphasises the Directive's lack of clarity over the legal obligations of governments if national guarantee funds, which are funded by contributions from relevant credit institutions, do not suffice for payments following a banking crisis, and more importantly if an entire banking system of a country collapses;
 3. underlines that the shortcomings of the Directive became apparent in October 2008 when the banking crisis in Iceland spilled over to the economies of other EEA States;
 4. urges wide reforms to the organisation of Deposit Guarantee Schemes in the Member States that take into account the needs and interests of all EEA member

states, most notably strengthening measures to reinforce depositor, investor and policy holder protection, covering the overall adequacy and scope of a broad range of existing financial market directives;

5. regrets that significant pressure seems to have been employed during discussions with the International Monetary Fund to pressurize Icelandic authorities to reach a common understanding on the interpretation of legal obligations with respect to deposit guarantees in the European Economic Area;
6. emphasises that the crisis has highlighted that the approach to bank passporting, which allows banks to establish branches in any EEA country on the basis of the home country license, requires further review; and urges the strengthening of the supervisory powers of host country regulators, and cooperation at the European level under European-wide processes to assess the effectiveness of home country supervision;
7. calls on the relevant authorities to pay specific attention to the extraordinary circumstances created by the financial crisis and to the challenges this poses on the good functioning of the EEA Agreement;
8. welcomes the EU Heads of State or Government conclusions that the current financial crisis has revealed the importance of introducing to the European supervisory architecture an approach to monitor and assess risks to the stability of the financial system as a whole, alongside improved supervision of individual financial institutions;
9. emphasises that the overarching goal of reforms should be the closing of gaps and ensure that the whole financial sector is subject to supervision and regulation, and that regulation between different segments of the market is mutually consistent and that all relevant financial actors and all types of financial instruments need to be subject to appropriate regulation and oversight;
10. welcomes the Commission's revision of EU Directive 94/19/EEC, especially in light of the experience gained from the collapse of the Icelandic banks; and welcomes the amendments to Directive 94/19/EEC from earlier this year on funding levels and payments as positive steps;
11. fully endorses the Commission's proposal to improve risk management in financial firms and align pay incentives with sustainable performance; and encourages legislative proposals to include remuneration schemes within the scope of prudential oversight to be realised as soon as possible.
12. welcomes the de Larosière Group report's recommendations concerning the regulation of Credit Rating Agencies (CRAs); warns that the regulation of CRAs should not produce a false sense of security among financial institutions; and highlights that sensible internal assessments and mechanisms should be the foundation for sound business decisions;
13. urges further strengthening of the system of crisis management under stronger burden sharing measures in accordance with the recommendations of the de

Larosière Group, especially in cases where the impact of Europe-wide crisis is concentrated disproportionately on certain economies;

14. emphasises the importance of central banks of both EU and EEA States outside the euro zone be given the opportunity to participate in the European Systemic Risk Council; and warns that if the EEA EFTA States do not actively participate from the outset in the EU macro-prudential supervisory structure this would diminish the effectiveness of EEA-wide coordination;
15. assumes the participation of all EEA EFTA States as observers in any change in the current regulatory and supervisory architecture in the EU; and highlights that experts from all EEA EFTA States should be invited as observers in the appropriate authorities within the new European System of Financial Supervision in addition to being present in the foreseen European Systemic Risk Council;
16. notes the Commission's proposals that national authorities be mandated to adopt legally binding standards in relation to supervisory authorities; highlights that at national level, supervisory authorities have different mandates and are not always empowered to adopt laws and regulations; warns that it might be a challenge to give the EU authorities the mandate to adopt decisions that are binding on the national supervisory authorities; and emphasises that this would pose a legal challenge to the EEA EFTA States as long as they are not included in the decision-making process.

RESOLUTION

on

Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services

The European Economic Area Joint Parliamentary Committee:

- A. Mindful of the need to protect local workforces and host service providers from social dumping while at the same time not infringing the freedom to provide services or the mobility of labour,

- B. mindful of the importance of that within a given territory, competition shall take place under the same terms and conditions for all service providers irrespective of which EEA State they operate in, thereby contributing towards the aims of the Lisbon Agenda and of the upwards harmonisation of living and working conditions, which would also ensure that discrimination along the lines of nationality is overcome,
 - 1. urges that the Posting of Workers Directive (PWD) should be reviewed with a view to bringing it into line with the Temporary Agency Work (TAW) Directive, with the general principle being equal treatment from day one of the assignment,

 - 2. underlines that terms and conditions of employment should be governed by the legislation or collective agreement – national, sectoral or company – in force at the place of work; and where no collective agreement or legislation applies, the user company should be under obligation to supply details of terms and conditions of employment in force in the company to the service provider,

 - 3. emphasises that the protection of wages and conditions of employment for local workforces against competition from cheap labour from abroad shall be recognised as constituting an ‘overriding reason of public interest’ with respect to collective action if the abovementioned principles are not adhered to,

 - 4. urges that user companies shall be under an obligation to inform the service provider of the terms and conditions of employment in force at the place of work of posted workers in good time prior to the commencement of the posting; emphasises that posted workers should be informed of these; and underlines that these terms and conditions should be written into the contract between the user and the service provider along with details of the work to be done and the duration of the posting,

5. emphasises that copies of contracts should be kept by both companies and provided to the workers to be posted, and that records of timesheets should be kept at the place of work of posted workers, combined these can form the basis of documentation that can be made available to the national authorities of the host state for monitoring purposes to ensure compliance with national employment legislation and collective agreements in force,
6. recommends that to assist in the monitoring of the use of posted workers, trade unions and/or employee representation bodies present in the workplace to which workers are posted shall be informed of the use of any posted workers in their workplace, and of the terms and conditions of their employment, including the number used and the duration of their employment,
7. underlines that the European social partners' agreement to establish a European observatory on cross-border temporary agency worker activities shall be broadened to include all posted workers in order to facilitate an exchange of information that would help protect posted workers and combat any abusive recourse to them by user companies.
8. urges that EU social partner, national and workplace monitoring of posted workers shall form the basis of reports to the Commission and facilitate better administrative co-operation and exchange of information between EEA States, as outlined in the Commission's 2008 Draft Recommendation, to ensure that EEA States are correctly implementing the PWD; and recommends that where this is not the case, infringement proceedings should be initiated where necessary.