

**ANSWERS TO THE EUROPEAN PARLIAMENT  
QUESTIONNAIRE TO THE COMMISSIONER-DESIGNATE  
Pierre MOSCOVICI  
Economic and Financial affairs, Taxation and Customs Union**

**1. General competence, European commitment and personal independence**

**What aspects of your personal qualifications and experience are particularly relevant for becoming Commissioner and promoting the European general interest, particularly in the area you would be responsible for? What motivates you? How will you contribute to putting forward the strategic agenda of the Commission?**

**What guarantees of independence are you able to give the European Parliament, and how would you make sure that any past, current or future activities you carry out could not cast doubt on the performance of your duties within the Commission?**

Most of my professional life has been dedicated to Europe integration for more than two decades. From 1994 to 1997, I served as Member of the European Parliament, working in the Committee on Economic and Monetary Affairs and Industrial Policy. Between 1997 and 2002, I was French Minister for European Affairs. During this fascinating period, I was fully engaged in many strategic negotiations, such as the 2004 Enlargement, the Agenda 2000 Budgetary framework, as well as the Treaty of Nice. I then represented the French authorities at the Convention on the Future of Europe. I also had the honour to head the “Mouvement européen France”. From 2004 to 2007, I came back to the European Parliament, as a Vice-President, and negotiated the long-awaited Statute of its Members and was rapporteur for the enlargement to Romania. Back to the French National Assembly, from 2007 to 2012, I was an active member of the Committee on Foreign Affairs, and Vice-President of the Committee on European Affairs during the financial crisis.

I was France’s Finance Minister for the Economy and Finance from 2012 to 2014. In this position, I have worked with my European colleagues and the European Commission preserving the integrity of the Eurozone, achieving the Banking Union, fighting against tax fraud in the EU and globally, while promoting EU taxation convergence and favouring the agenda for economic growth and reforms. At national level, I did reduce public deficit and trigger key structural reforms, in line with our European guidelines. In my current function as Member of the French National Assembly, I serve on the Finance Committee. As such, I have been entrusted by the French Prime Minister with a six-month mission to assess how European policies can better contribute to growth and employment, which fit perfectly with the portfolio foreseen by President-elect Juncker. All these experiences have in common my will to contribute to a better Europe. They have allowed me to get a clear and complete view of the European institutions and of the European decision-making process.

I strongly believe that my experience could be an asset in the areas of Economic and Financial Affairs, Taxation and Customs. As Economy and Finance Minister, I worked closely with European and international leaders – especially in the ECOFIN, Eurogroup, G7 and G20 meetings – to solve the financial and economic crisis, strengthen competitiveness in Europe, and boost investments in the real economy. I remain fully convinced that Europe needs a deeper Economic and Monetary Union, and a better convergence of economic and fiscal policies within the Euro area. Against this background, I fully recognise myself in the strategic guidelines presented by President-elect Jean-Claude Juncker, and would do my utmost to deliver on them, within the College of Commissioners, towards employment, growth, competitiveness, fairness and democratic change, as requested by a vast majority of voters across Europe last May.

As a Commissioner, I have a duty of objectivity, transparency, integrity and independence. I will respect this independence and manage all of my tasks in an impartial manner, guided by ethical standards. My Declaration of Interests – that will remain publicly available and updated – testifies that I have always avoided any conflict of interest, and I will continue to stick to this as a Commissioner, regularly informing the President of the Commission on that matter. I will strictly respect the Code of Conduct for Commissioners as well as the guidelines of the European Treaties. I hereby declare my solemn commitment to respect articles Article 17.3 of the Treaty on European Union, and Articles 245 and 339 of the Treaty on the Functioning of the European Union. I also commit to avoid any position or situation which could put in question my independence. I will not take any instruction from any Government of the Member States or from any other entity.

I fully support our new commitment to transparency set out in the political guidelines by the President-elect. I commit to making public all the contacts and meetings I hold with professional organisations or self-employed individuals on any matter relating to EU policy making and implementation.

I am a Frenchman, proud to be so, but above all a passionate European, wishing to contribute within the Commission to the future of our continent, in partnership with the other European institutions and the Member States. My priority will be to represent, serve and defend the European interest, just like I acted when I was a Member of the European Parliament. My personal independence will guide my actions, to deliver results for all Europeans.

## **2. Management of the portfolio and cooperation with the European Parliament**

**How would you assess your role as a Member of the College of Commissioners? In what respect would you consider yourself responsible and accountable to the Parliament for your actions and for those of your departments?**

**What specific commitments are you prepared to make in terms of enhanced transparency, increased cooperation and effective follow-up to Parliament's positions and requests for legislative initiatives? In relation to planned initiatives or ongoing procedures, are you ready to provide Parliament with information and documents on an equal footing with the Council?**

I strongly believe that the European Commission remains a crucial Institution, guardian of our Treaties and central to the Community Method. Having been a MEP for six years as well as a minister in the Council for seven years, I have witnessed how important it is that the Commission – and the Commissioners – listens to the Parliament, the Member States and the stakeholders and come up with well-calibrated proposals to tackle the issues. As future Commissioner, I will be faithful to this mission and actively defend and promote the general interest of Europe. My role will be to safeguard past achievements and continue to strengthen our common values and policies. The Founding Fathers have left us a tremendous Heritage, which I would be proud and honoured to develop further in the next Commission, led by Jean-Claude Juncker, together with my colleagues in a true collegiality spirit.

Having been an MEP and a MP for more than a decade and member of national government for many years, I have experienced democratic accountability on both sides. This has further strengthened my convictions: nothing is politically possible in our democratic system without a strong Parliament. As future commissioner, I confirmed I will of course represent the Commission in plenary and Committees debates, in agreement with my colleagues, and actively participate in the economic dialogue foreseen in the new governance framework. I will work closely with the European Parliament and its members in full compliance with the relevant Treaty provisions as well as the 2009 Framework Agreement, and related Interinstitutional agreements. I will participate in the discussions and trilogues in the Parliament. As a rule, while fully respecting the existing rules and specific competences devoted by the Treaties, I will consider Parliament and Council equally important in my work as Commissioner.

Concerning the follow-up to European Parliament's positions and requests, I will apply the provisions of the Framework Agreement and, in my areas of responsibility, make sure that the Commission responds to parliamentary resolutions or requests made on the basis of Article 225 TFEU, within 3 months after their adoption. In this context, I support and fully endorse the commitment made by President-elect Juncker that the future Commission will be particularly attentive to legislative initiative reports.

Any new improvement of the existing practices would need to be discussed and decided by the future college, under the authority of the President-elect and Vice President-designate Timmermans.

I will work closely with Vice President-designate Georgieva to ensure that the management of my services respect the existing rules and standards, including those foreseen in the Financial Regulation, to allow a smooth discharge process by the Parliament every year.

### **3. The functioning of the current economic governance framework**

**The 6-pack and the 2-pack have largely rewritten the economic governance framework, strengthening fiscal rules and providing new rules on macroeconomic imbalances. How will the Commission implement these existing rules to deal with countries with excessive deficits and debt and macro-economic imbalances who fail to meet their annual targets? Do you confirm that you will make no difference between Member States? How will the Commission intend to achieve a growth-friendly fiscal consolidation and address macroeconomic imbalances, bearing in mind the flexibility built in the economic governance framework?**

I very much welcome this question on the need to have the right policy mix at EU level. This is fundamental to support stability, boost growth and create jobs. As Commissioner of Economic and Financial Affairs, Taxation and Customs, if confirmed I will have the task, together with my colleague M. Thyssen, and in coordination with Vice President-designate V. Dombrovskis to ensure the effective implementation of recommendations, inter alia concerning fiscal policy and macroeconomic imbalances. The Stability and Growth Pact and the Macroeconomic Imbalances Procedure as embodied in the so-called six-pack provide an appropriate framework to give relevant policy orientation for Member States in difficult economic and financial times. The Commission has applied these instruments in the past consistently, impartially and tailored to the country-specific conditions. I am determined to continue to fulfil the duty of the Commission, as foreseen by the rules, with objectivity, fairness and economic judgement and the appropriate rigour when necessary. I strongly believe that this is crucial for the credibility of our economy and to preserve the strong governance we have built over the past five years. This would obviously be a decisive test for the Commission and the future Commissioner in charge.

As stressed by Jean Claude-Juncker in his address to the European Parliament on 15 July, the new Commission will respect the Stability and Growth Pact, and will make the best possible use of the flexibility built into the existing set of rules. If entrusted as European Commissioner, I will be committed to protect the credibility and integrity of the Pact. Acting as an agent in the interest of the European economy as a whole, the Commission cannot accept that a Member State in the excessive deficit procedure does not fulfil its duty vis-à-vis the other Member States. Should a Member State fail to take the necessary "effective action" to comply with the recommendations set by the Council – be it a small Member State or a big Member State; from the East or from the West; from the North or from the South – the Commission would propose to the Council to apply the rules. By the same token, I will not shy away from activating the Economic Imbalances Procedure, should we find that a Member State in excessive imbalances has not taken action to implement the recommendations collectively adopted by the Council. Of course, as many have said before me, the "Pact is not stupid" and one would need to look at each specific situation, and each country should be judged on its own merit, as the nature, magnitude and root causes of the economic, financial and social challenges vary widely across Member States. Besides, as announced by the President-Elect, the Commission will present a review of the implementation of the 6-2 packs by the end of the year. This will be a key exercise to further improve our economic governance.

The European economy needs to walk on its two legs: stability and growth. If we want to restore sustainable growth generating jobs and investment, we need a comprehensive policy response that simultaneously addresses the supply and demand weaknesses through an appropriate mix of structural reforms, differentiated and growth-friendly fiscal consolidation and accommodative monetary policy. And let me stress up front that while monetary policy has a very important role to play at the current juncture, it provides no panacea to the fundamental economic challenges at our hands.

Depending on the respective economic situation, Member States face different structural challenges, sometimes calling for deep and difficult reforms. The sooner these structural challenges are addressed, the faster real economy is impacted, confidence is restored, economic uncertainty is lifted and the conditions for growth, jobs and investment improve. Regarding fiscal policy, I would encourage Member States with little or no margin of manoeuvre to step up their effort to achieve a more growth-friendly composition of consolidation, by curbing unproductive public spending and rendering revenue systems more efficient. At the same time, Member States in more comfortable budgetary positions should use some of their budgetary room to support investment and reduce disincentives for employment, while preserving their sound fiscal position.

Based on the factual analysis provided by the high quality civil servants of DG ECFIN, DG TAXUD and other Commission services, together with my colleagues, I will use the existing surveillance instruments, including the Macroeconomic Imbalances Procedure, to encourage appropriate reform efforts in Member States. But expertise in Brussels is not enough. In order to prompt the right reforms in Member States, we need to do better in communicating and explaining the motivation of our actions and decisions to the citizens and the relevant stakeholders.

#### **4. The EMU and the way ahead**

**At the end of 2012 the President of the European Council, in close cooperation with the President of the Commission, the President of the Eurogroup and the President of the ECB, presented an agenda for a deep and genuine EMU, aiming at ensuring stability and integrity of the EMU. What should be in your view the necessary reforms for a genuine EMU? How would you reinforce the European Semester for economic policy coordination, in order to ensure effectiveness and quality of the Country-Specific Recommendations and their implementation by Member States? How would you improve the democratic accountability of the decisions taken within this framework, not least with a better involvement of the European Parliament? How do you plan to address the investment gap in Europe?**

My view is that EMU is still unfinished, even though it has been consolidated to a considerable extent during the crisis. Making further changes to a coordination framework which has just been set up is not the priority in the short term. The priority now is to restore confidence. My task within the Commission, working closely with Vice-President Dombrovskis, will be to ensure that the current EMU works consistently and in the long term in accordance with the rules that have been laid down. Realistically, the more general issue of how EMU should be deepened will not arise until stability and confidence not just in the public finances, but also in terms of growth and jobs, have been restored. The President-elect has laid down a timetable for this in his policy guidelines.

The proposals set out in the Report of the Four Presidents and the Commission blueprint will provide a solid foundation for the coming years, even though it will be possible to bring new ideas to the table. Together with my colleagues, the European Parliament and the Member States, I shall be actively involved in this debate. For example, in the longer term, I think we should consider establishing targeted fiscal capacity at the level of the euro area, as President-elect Juncker has proposed, in order to ensure greater stability through greater risk-sharing and to reinforce the scope for incentivising reforms. In my view, delivering on national budgetary commitments and structural reforms should be an absolute condition that Member States must meet in order to gain access to this fiscal capacity. Reinforced external representation of EMU, which Jean-Claude Juncker has also advocated, strikes me as a natural and desirable consequence of greater integration within EMU.

Failure to properly implement country-specific recommendations is currently one of the weaknesses of our framework for coordinating economic policies at European level. This failure is undermining the credibility of our rules. In this area, the only thing that counts is results. Together with Vice President-designate Dombrovskis, my mission will be to increase compliance with these recommendations. In my view, for this objective to be achieved, we need to bring a number of different elements into play: strict surveillance by the Commission, based on an in-depth knowledge of the situations in individual Member States; a political effort to get the public on board and increase national ownership; a debate about how to incentivise reforms to avoid giving the impression of a purely punitive approach. Scrupulous care will have to be taken to ensure that Member States are treated equally.

With the new coordination and surveillance framework set up since the crisis, EMU involves pooling sovereignty to an unprecedented extent. Ordinary people find this framework complex. There are potential problems with the significant powers devolved to Europe on national budgets, powers which are at the very heart of national democracies. In my view, this justifies closer coordination and dialogue between the European Parliament, the national parliaments and the Commission in the spirit of the initial elements of the 2-Pack. There's a useful debate to be had on how the European Parliament should be organised for matters specific to the euro area.

Investment in Europe and the euro area has not yet risen to pre-crisis levels. While this is particularly true of the Member States in the southern part of the euro area, it's also the case for investment in Germany, or investment in research in France. This is a really big issue that we will have to address if we're serious about creating growth and jobs again. It's the priority of the Juncker Commission and its response to the concerns expressed by the European electorate last May. The EUR 300 billion package announced by the President-elect which will be implemented over a period of three years should enable us to tackle the investment deficit. I shall work closely

with Vice President-designate Katainen to make sure that this package has a rapid and lasting effect on growth and employment in Europe.

I think action is needed on two complementary fronts: (i) boosting the European economy's capacity to absorb new investments. That's why it's important to rapidly complete the single market in certain sectors which are key to future growth: energy, climate and the digital economy. A Capital Markets Union - a project which will be led by Commissioner-designate Hill - is necessary for all the 28 Member States. In particular, completion of the internal market for capital, which is one of the priorities of the new Commission, is contingent on channelling private savings to productive investment within the EU. Where public funds are needed to initiate or catalyse investment, we will have to boost lending capacity (EIB) and equity participation (EIF). I shall help my fellow Commissioners complete these strategic tasks if Parliament places its trust in me.

## **5. Tax Policy**

**As the Commissioner in charge of the EU's tax policy, what further measures do you envisage to enforce and effectively implement the Action Plan to strengthen the fight against tax fraud, evasion and money laundering, as well as the recommendations on aggressive tax planning and on tax havens? Concerning the automatic exchange of information in the field of taxation (AEOI), Member States have now expressed a clear wish to go beyond current levels of cooperation, in order to avoid the fragmentation of the internal market. How will the Commission ensure a consistent EU-wide approach and coordinate actions between Member States? What are your views on the need for convergence of tax systems in the EU?**

As a former Economy and Finance minister, I have actively participated in the development of the existing taxation agenda, and will continue to do so with the same determination as Commissioner. This is a key policy for our economies, our companies as well as for our citizens. I will follow two guiding principles in my work with Member States and global partners: efficiency and fairness. I hope I can count on the support of the European Parliament in keeping the political momentum alive.

The need for fairer corporate taxation remains a burning issue and will be on top of my agenda. As indicated in the political guidelines by the President-elect Juncker, continuing the fight against tax fraud, tax evasion and aggressive tax planning, and tackling base erosion and profit shifting, including in the digital economy, must be the unwavering goal, both within the EU and in our relations with international partners. This is a key element for confidence and well-functioning of our economies.

If I am confirmed as Commissioner, I will ensure that the advances already made under the Commission 2012 Action Plan are cemented. In this respect, the revision of the Parent-Subsidiary Directive to prevent hybrid loan arrangements must be fully implemented, while work on anti-abuse schemes must be transformed into EU law. The Common Consolidated Corporate Tax Base (CCCTB) proposal should be brought back into the spotlight. Not only does it offer major simplification for businesses and foreign investors, but it could also be a potentially powerful tool against tax avoidance. Taxing an ever-increasingly digitized economy remains a pressing challenge and requires closer attention. Companies' manipulation of intangibles to minimise their tax base has to be fully addressed. I intend to hold a frank debate with Member States on these issues.

Outside the EU, I will be actively working to "export" our principles of good governance internationally. Where a consensual approach works, we should pursue it with vigour. Discussions with Switzerland to dismantle unfair corporate tax regimes have been successful, and I would be in favour of opening similar dialogues with other third countries. This is key for the next mandate.

In 2015, I intend to report on Member States' progress in implementing the Recommendations on "tax havens" and "aggressive tax planning". This will be the time to see what further steps are needed to protect Member States' tax bases against harmful regimes, in a coordinated way as well as to monitor progress in dealing with aggressive tax planning.

The new global standard on automatic exchange of financial account information effectively spells the end of bank secrecy and should bring a new era of cooperation and transparency between tax authorities worldwide. Amongst the Member States, this must be implemented through a solid EU legal framework, which the revised Directive on Administrative Cooperation will create. Once adopted, I will push for the full and timely implementation of this legislation in all Member States. An EU framework is the only possibility to ensure automatically the integrity of the single market, the compatibility with the four freedoms and the respect of other relevant EU policies, like data protection.

However, no legal or technical tool can replace mutual trust among Member States. They need to perform a major step forward in their fight against fraudulent activities, and start building a real climate of reciprocal credit and cooperation. From my side, I intend to facilitate this change of mentality with every possible means.

Additional convergence of tax systems in the EU brings about occasions that cannot be missed. I would see a coordinated fiscal approach at EU-level as an opportunity for Member States' economies, not as a menace. First, an overall EU approach can provide the right support to the objectives of the EMU. Our growth and job strategy would be fostered by effective tax shifts, as recommended in the European Semester framework. Second, the internal market would undoubtedly benefit from initiatives like the development of a coordinated fight against double taxation, citizens oriented actions (on inheritance, cross border workers for example) and the reduction of administrative burden for business. Third, only the EU and the Member States together can effectively address the need to strengthen the quality of tax systems and to ensure the fair competition and equity that would preserve our social and economic model. I would work towards the adoption of the Financial Transaction Tax, which can contribute to reducing systemic risk and therefore the likelihood of future crises. In this framework, full fiscal harmonisation is not necessary, but increased convergence of tax system via unanimously agreed EU solutions is an imperative.