



European Commission - Speech [Check Against Delivery]



Remarks by Executive Vice-President Dombrovskis at the informal ECOFIN press conference

Berlin, 12 September 2020

Ladies and Gentlemen, lieber Olaf,

Ich freue mich wieder in Berlin zu sein. Dankeschön für den herzlichen Empfang und die interessanten Gespräche.

Over the past decade, Europe has faced many challenges, from the global financial crisis, the refugee crisis, to climate change.

Our response was sometimes slow and insufficient. But you learn with every crisis – and that has served us in good stead with the Coronavirus.

The deal on our recovery package reached in July at the European Council meeting has shown that the EU has – as Chancellor Merkel put it – “Handlungsfähigkeit”: the ability to act – and to act decisively.

As of next year, the Recovery and Resilience Facility will provide a unique opportunity to drive the recovery forward and turn our economies around. We must get it right. We must remain competitive, and do so in a way that is sustainable and fair.

We will soon provide more detailed guidance to countries on how to prepare their Recovery and Resilience Plans with reform and investment packages.

The key word for the next years is IMPLEMENTATION. The European Commission stands ready to support the Member States at every step of the process and provide the technical support.

This is also the moment to complete the Banking Union and the Capital Markets Union.

We support the German Presidency in its efforts to drive forward the Banking Union. We know some issues are very challenging but it's essential we move forward. After all, it is 8 years since we agreed to the overall Banking Union framework, yet it still not complete.

We need a more consistent crisis management framework. And we need to advance on the European deposit insurance scheme but probably, as first deliverables, we should deliver amendments to the ESM Treaty, ESM reform and the early introduction of the backstop.

CAPITAL MARKETS UNION

We launched work on the Capital Markets Union before the crisis. But the pandemic has injected real urgency into the CMU - because the strength of economic recovery will depend on well-functioning capital markets and access to market financing.

For instance, companies should be able to rely on equity financing, not just bank loans, to get through this storm. In our CMU action plan we will present later this month, we will look at topics such as SME access to finance, market infrastructure, and measures to get savers in Europe to invest more through capital markets.

DIGITAL CURRENCIES

Next Generation EU gives also us the chance to move forward as a global player in the digital area – another topic of this morning. We want the EU financial sector to make the most of the opportunities offered by digitalisation, with innovative European market players leading globally. European consumers and businesses should benefit from digital finance too, while ensuring that risks are properly mitigated.

Later this month, I will present our updated EU Digital Finance Strategy.

We want EU rules to be fit for the digital age, so we can promote innovation while keeping risks in check. That is why, for example, we will put forward a legislative proposal on markets in crypto-

assets.

Some ministers yesterday expressed some concerns about the risks of so-called stablecoins currently outside our rules. Rest assured that our legislative proposals will address those concerns comprehensively. We will regulate the risks for financial stability and monetary sovereignty linked to so-called 'stablecoins' used for payments purposes.

But we want to be proportionate: crypto assets provide many opportunities, and we want to regulate innovation in, not out.

TAX FAIRNESS

As we discussed this morning, we also need to work on tax fairness. This is even more relevant now.

Large digital companies may emerge more profitable from the crisis and with a larger market share, while traditional businesses are bearing the brunt of the recession. We also need global minimum taxation, both in order to secure much needed tax revenues and to ensure that everyone contributes their fair share.

The Commission will present an Action Plan on business taxation for the 21st century this autumn. We will follow up on the work to the reform of the international corporate tax framework, which is currently ongoing in the OECD. We hope for progress at the global level – and if not, we will move ahead with a digital tax proposal in the first half of next year.

A fair corporate tax system will ultimately help ensure all Member States can finance the recovery.

Thank you.

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