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NEW EUROPEAN PARLIAMENT TO BE MORE COMPLEX AND FRAGMENTED

The 2019 European elections resulted in arguably the most fragmented and complex European Parliament ever. Among the key takeaways are the following: i) an end to the grand coalition's majority (with EPP and S&D losing around 40 seats each); ii) the rise of the centrist/liberals (gaining some 40 seats) and the Greens (becoming the fourth largest group); and iii) the possible consolidation of Eurosceptic parties (with Salvini's alliance nearly doubling the ENF's seats). The coming weeks will be devoted to negotiations on the composition of political groups before the new Parliament is constituted on 2 July.

EU LEADERS REJECT AUTOMATICITY OF SPITZENKANDIDATEN PROCESS

EU leaders gathered on Tuesday evening to analyse the results and launch negotiations on the EU top jobs package (i.e. Commission Presidency, ECB Presidency, Council Presidency and EU's High-Representative). Whilst the meeting did not result in any names being put forward, it did enable the European Council to reiterate its opposition to the automaticity of the *Spitzenkandidaten* process, thereby opening the door to external candidates for the Commission Presidency. The European Council is expected to come to an agreement on the overall package, which will have to ensure a complex balance of party affiliation, gender, and geographic origin, on 20-21 June.

NEW RULES TO FACILITATE DIGITALISATION AND TRANSPARENCY OF FINANCIAL REPORTING

The European Commission published a Delegated Regulation laying out regulatory technical standards on the specification of a single electronic reporting format (the so-called European Single Electronic Format, ESEF), supplementing the Transparency Directive. The ESEF seeks to achieve greater transparency in terms of the yearly information disclosed by companies listed in EU capital markets, by making financial records more readable and accessible. The ESEF rules will enter into force on 1 January 2020 and will be binding in all Member States. The Delegated Regulation will be amended yearly to reflect updates made by the International Accounting Standards Board in the International Financial Reporting Standards Taxonomy.

COMMISSION ADOPTS RULES ON OPERATING DRONES

The European Commission responded to increasing drone traffic across Europe by publication of rules to ensure safety of people on ground and in the air. The measures also aim to mitigate drone related security risks through operators' registration, remote identification and definition of geographical zones - allowing national authorities to prevent unlawful drone activities. Member States will also be able to define so-called "no-fly zones" where drones will not be allowed to enter, such as airports or city centres. The Commission will also publish guidelines that will help drone operators to comply with new rules, before a more systematic review of EU aviation rules.

GUIDANCE ON FREE FLOW OF NON-PERSONAL DATA PUBLISHED

The European Commission published practical guidance on the interaction between the Regulation on the Free Flow of Non-Personal Data (FFoD) and the General Data Protection Regulation (GDPR). The new guidance aims to provide businesses with stronger awareness of these rules, especially when

datasets are composed of both personal and non-personal data. The Commission's guidance focuses upon the concepts of non-personal data and personal data; the principles of free movement of data and the prohibition of data localisation requirements under both Regulations; and the notion of data portability under the Regulation on the Free Flow of Non-Personal Data. Further guidance documents on data portability are expected in November.

COMING UP NEXT WEEK:

- **3-4 June: Informal Meeting of the Agriculture Ministers.**
- **6-7 June: Transport, Telecommunications and Energy Council.** On the agenda: Electronic freight transport information, rail passengers' rights, seasonal time changes, Digital Europe, ePrivacy, cybersecurity.
- **6-7 June: Justice and Home Affairs Council.** On the agenda: Access to e-evidence, improving data retention, digitalisation of documents, criminal law, EU public prosecutor's office.

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