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ONGOING NEGOTIATIONS WITHIN POLITICAL GROUPS IN THE EUROPEAN PARLIAMENT

In the first week after the EU elections, there have been several moves in the European Parliament's political groups. The EPP Group re-elected Manfred Weber as its president, the Greens will welcome four members from the Pirate parties of Czech Republic and Germany, and the new ALDE+Macron group (for which the name remains to be announced) will host Hungary's Democratic coalition party, which won four seats. Changes will continue over the next few days in all political groups. The deadline to notify the composition of groups in view of the European Parliament's constitutive session is 24 June.

COMMISSION RELEASES RECOMMENDATIONS FOR 2019 EUROPEAN SEMESTER

The Commission published its country-specific recommendations for Member States for the upcoming 12-18 months that aim to guide national responses to economic and social challenges. The recommendations most notably includes the opening of an excessive deficit procedure for Italy, whereas the Commission recommends closing the same in the case of Spain. The Commission also reviewed the compliance of Belgium, France, Italy and Cyprus, and deviations by Hungary and Romania. On 9 July, the ECOFIN Council decides whether to launch a procedure against Italy, following an opinion issued by the Economic and Financial Committee in the next two weeks.

MEMBER STATES APPROVE COMMISSION PROPOSAL TO PREVENT BANKRUPTCY

The Council approved new rules that aim to prevent insolvency, allowing for early restructuring procedures. The new framework seeks to help viable companies continue market activity, preserve jobs and reach restructuring agreements with their creditors, providing businesses with a second chance by releasing them of their debt after a maximum time of three years. These new rules aim to "keep innovation going" and could result in three million additional jobs. They also strive to increase the efficiency of insolvency, restructuring and discharge procedures, and reduce excessive length and costs in Member States, as well as remove barriers to additional development of capital markets.

COUNCIL VOTES ON COMMISSION RULES FOR SECURE IDS

Justice Ministers approved the Commission proposal for strengthening the security of identity cards through the introduction of minimum common standards increasing the dependability of the ID cards. At present, some Member States still issue paper IDs that can easily be copied by criminals or terrorists to secure entrance into the EU. The new cards will feature a contactless chip containing the owner's photograph and fingerprints. The proposal also seeks to increase the efficiency of border checks through issuing residence cards of third-country family members in the same uniform format. Two years after publication in the Official Journal, Member States will start issuing the new IDs.

COMMISSION PUBLISHES 10-YEAR REPORT ON THE EU CHARTER OF FUNDAMENTAL RIGHTS

The Commission released its annual report on the application of the Charter of fundamental rights, which details the increasing awareness among European policymakers as to the importance of ensuring compliance. References to the charter by national authorities and the European Court of Justice have notably increased, however general awareness remains low, with only 42% of respondents

having heard of the charter. Key initiatives applying the charter include whistle-blower protection, promotion of electoral rights and fighting internet-based hate speech. Looking ahead, the Commission, the Finnish Presidency of the EU, and the EU agency for fundamental rights will hold a conference celebrating the 10-year anniversary and reflecting on future improvements on 12 November.

COMING UP NEXT WEEK:

- **13 June: Eurogroup.** On the agenda: EDIS, budgetary instrument for convergence and competitiveness, ESM.
- **13 June: EU-Armenia Partnership Council.**
- **13-14 June: Employment, Social Policy, health and Consumer Affairs Council.** On the agenda: European Labour Authority, antimicrobial resistance, health investments, health technology.
- **14 June: Economic and Financial Affairs Council.** On the agenda: long-term vision for climate-neutral economy, financial transaction tax, European Semester 2019.

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