



ACCA Guide to the EU

Guide to EU jargon

Context

ACCA engages with MEPs, Commission fonctionnaires in various ways, as up to 70% of legislation impacting on financial services is initiated at EU level. We engage in order to:

- Raise ACCA's profile
- Inform and engage with influential decision makers and opinion formers
- Influence the development of legislation

Terms and definitions

- **Codecision**

The codecision procedure was introduced by the Treaty of Maastricht. It gives the European Parliament the power to adopt instruments jointly with the Council of the European Union and has strengthened both the legislative powers and the legitimacy of the European Parliament.

- **Committee of the regions**

The committee aims to represent the voice of local government to the EU institutions and its members are drawn from municipal and regional authorities in the 15 member states.

It was set up by the Maastricht Treaty amid concerns that the public was being left behind in the EU's quick evolution and its remit was extended by the Amsterdam Treaty.

The European Commission and the Council of Ministers have to consult the committee on any activity which could have repercussions at regional level, specifically in areas such as infrastructure, health, education, employment and social policy, the environment and transport.

Like the other big consultative body, Ecosoc, the Committee gives opinions but does not have any formal powers.

- **COREPER**

Coreper, the French acronym by which the Permanent Representatives Committee is known, consists of the Member States' Permanent

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Representatives (Ambassadors) and is responsible, at a stage involving preliminary negotiations, for assisting the Council of the European Union in dealing with the items on its agenda (proposals and drafts of instruments put forward by the Commission). It occupies a pivotal position in the Community decision-making system, in which it is at one and the same time a forum for dialogue (among the Permanent Representatives and between them and their respective national capitals) and a body which exercises political control (by laying down guidelines for, and supervising, the work of the expert groups). It is in fact divided in two to enable it to deal with all the tasks it has to carry out:

- COREPER I, consisting of the Deputy Permanent Representatives, and
- COREPER II, consisting of the Permanent Representatives themselves.

The smooth running of the Council is dependent on the standard of the work done in COREPER.

- **Council of Europe**

The Council of Europe is not an EU institution. It is a body of more than 40 countries that aims to promote democracy and protect human rights.

The Council makes recommendations and forms opinions but does not have any legislative power.

- **Council of Ministers**

Officially called the Council of the European Union, the Council of Ministers is the only EU institution which represents the member states' national governments. It is made up of government ministers from the 15 states, creating a kind of cabinet of cabinets. Which ministers attend the council depends on the subject under discussion, e.g. the Agriculture ministers will make up the council for discussions on farming. Together with the European Parliament, the council has the power to make EU laws and decide the budget. The way the council votes depends on the matter under discussion. For some sensitive issues, for example taxation, the council must vote unanimously but other decisions require a simple majority or a qualified majority.

- **ECOSOC**

The European Economic and Social Committee (ECOSOC or EESC) is a consultative body made up of interest groups.

It consists of 344 members falling into three categories: employers, workers and representatives of particular types of activity (such as farmers, craftsmen, small businesses and industry, the professions, consumer representatives, scientists and teachers, cooperatives, families, environmental movements). Members are appointed by qualified majority of the Council for four years and this term may be renewed. Each member state is given a weighted quota of members.

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When the European Commission drafts new EU legislation, it is obliged in many areas to ask ECOSOC's opinion before putting it forward to the Council of Ministers and European Parliament for decision.

According to ECOSOC, two-thirds of its proposals become part of final legislation.

Although ECOSOC has no formal powers, it carries considerable influence and also advises the Council of Ministers and European Parliament.

- **European Central Bank**

Based in Frankfurt, the European Central Bank It works together with the national central banks of the EU states forming the European System of Central Banks.

Its goal, as defined by the Maastricht Treaty, is to maintain price stability in the eurozone countries.

It sets interest rates, issues banknotes and conducts foreign exchange operations. It is accountable to the European Parliament.

- **European Court of Auditors**

Based in Luxembourg, the Court of Auditors is independent from other EU institutions and is tasked with keeping track of EU money, making sure that it has been properly managed by the commission.

It aims to make EU spending more efficient and inform EU citizens better about where their money goes.

- **European Court of Human Rights**

Part of the Council of Europe, the court protects Europeans' fundamental rights.

- **European Court of Justice**

The judicial institution of the EU, founded in 1952, its job is to monitor the even interpretation of European law across the union.

- **European Commission.**

The commission is the EU's executive body and civil service, made up of 27 commissioners and a subsidiary staff of about 27,000, making it the biggest of the European institutions. The commission's main job is to initiate new policy measures.

- **European Parliament**

The parliament is the only directly elected body in the European Union and the only elected international assembly in the world. The parliament is split between Brussels, Luxembourg and Strasbourg.

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For one week every month it holds a session with all its deputies in Strasbourg. It has a secretariat in Luxembourg and its committees spend two weeks a month meeting in Brussels.

Although it began as a discussion forum, parliament now has significant powers, deciding together with the Council of Ministers on legislation and the EU's budget. But on some sensitive matters, such as taxation, it can still only give its opinion.

Parliament is also the democratic watchdog over the European Commission.

Commissioners must be approved by Parliament before they can be appointed and parliament has the power to sack the Commission - a fate the commission only escaped in 1999 by its mass resignation.

- **European Union**

The European Union is the framework for economic and political co-operation between the member states. manages co-operation on issues as wide-ranging as the environment, transport and employment, and wields increasing influence in defence and foreign policy.

It has five declared objectives:

- To promote economic and social progress
- To assert the identity of the European Union on the international scene
- To introduce European citizenship
- To develop an area of freedom, security and justice
- To maintain and build on established EU law

- **Green Paper**

Green Papers are documents published by the European Commission to stimulate discussion on given topics at European level. They invite the relevant parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they put forward. Green Papers may give rise to legislative developments that are then outlined in White Papers.

- **IGC**

An Intergovernmental Conference is a long-running conference between the governments of EU countries. The aim of the IGC is to produce a treaty - for example the Maastricht Treaty, which is not new legislation, but amendments to existing treaties.

- **Maastricht Treaty**

One of the most controversial of the European treaties, this 1991 agreement sets out economic and monetary union and forms the basis of the EU as we now know it.

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- **Parliamentary Committees**

As in the national Parliaments, various committees have been set up within the European Parliament to prepare the proceedings of the full House. The core legislative work of Parliament is done in these committees. The members of each committee are elected from among the Members of Parliament at the beginning of and half-way through each parliamentary term, according to their political affiliation and their expertise. These committees cover all elements of the EU institutions' work.

- **Presidency**

The presidency of the Council of Ministers rotates every six months. The order of rotation is fixed by the Council of the European Union, acting unanimously. The responsibilities of the Presidency are:

- to chair the meetings of Coreper and other Council working parties and committees;
- to organise and manage the Council's business in line with its rules of procedure;
- to represent the Union in connection with the CFSP (with the assistance of the High Representative for the Common Foreign and Security Policy).

- **Schengen agreement**

This agreement removes some of the borders between EU member states.

- **Single market**

The single market came into force in January 1993, establishing the free movement of goods, people, services and capital.

- **Subsidiarity**

Subsidiarity is the principle that matters ought to be handled by the smallest, lowest or least centralized competent authority. It is a fundamental principle of EU law. According to this principle, the EU may only act (i.e. make laws) where member states agree that action of individual countries is insufficient.

- **UKREP**

The United Kingdom Representation (UKREP) in Brussels is the UK Government's mission to the EU. The UK's Permanent Representative sits on COREPER, the Committee of Permanent Representatives, where negotiations take place between the member state governments before they reach ministerial level. UKREP's civil servants sit on a series of sectoral committees, which bring together officials from all member states. UKREP is a good source of information about the agendas of the sectoral Council meetings and the progress of legislative projects.

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- **Unanimity**
Unanimity is used in the Council of Ministers for decisions which are nationally sensitive like taxation, defence and social policy.
- **Veto**
The veto is a way of keeping national sovereignty over sensitive areas of decision-making.
- **White Paper**
Commission White Papers are documents containing proposals for Community action in a specific area. In some cases they follow a Green Paper published to launch a consultation process at European level. When a White Paper is favourably received by the Council, it can lead to an action programme for the Union in the area concerned.

PAMR

ACCA's Public Affairs and Media Relations (PAMR) department is based in the UK, co-ordinating with colleagues in local offices. We also have an office in Brussels and a permanent staff member in Ukraine, focussed on Central and Eastern Europe.

The PAMR team aims to ensure that the views of our global membership are reflected in the world's media, and that issues of concern to finance professionals and the wider business community are raised with governments and regulators in order to protect and enhance ACCA's reputation and to increase our influence.

The Public Affairs team exists to protect and enhance the reputation of ACCA with government, policy advisers, key civil servants and other political and business stakeholders. It aims to build positive relationships with key decision makers, and to influence and inform legislation and policy ensuring the best possible outcomes for ACCA's work. We lead on all engagement with Parliament, monitoring Parliamentary activity and providing advice to colleagues.

The Media Relations team works to provide timely and useful comment to the world's media on key issues affecting not only the accounting profession, but business and personal finances. Our global network of offices engaged in communications ensures that every day of the year ACCA is offering wide ranging responsible advice or commentary on key issues on every continent.

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